



**RECORD OF THE BUDGET MEETING  
OF THE  
LEGISLATIVE ASSEMBLY**

**HELD AT COURT & ASSEMBLY CHAMBERS**

**ON 30 MAY AND 2 JUNE 2017**

**RECORD OF THE BUDGET MEETING OF THE LEGISLATIVE ASSEMBLY  
HELD AT ASSEMBLY CHAMBERS  
TUESDAY 30 MAY AND FRIDAY 2 JUNE 2017**

Speaker of the House  
(Mr Keith Biles JP)

**MEMBERS (Ex-Officio)**

The Honourable Chief Executive  
(Mr Barry Rowland)

The Honourable Financial Secretary  
(Mrs Lydia Morrison)

**Elected**

The Honourable Janet (Jan) Lynda Cheek  
(Elected Member for Stanley Constituency)

The Honourable Roger Anthony Edwards  
(Elected Member for Camp Constituency)

The Honourable Dr Barry Elsby  
(Elected Member for Stanley Constituency)

The Honourable Ian Hansen  
(Elected Member for Camp Constituency)

The Honourable Michael James Poole  
(Elected Member for Stanley Constituency)

The Honourable Phyllis (Phyl) Mary Rendell MBE  
(Elected Member for Stanley Constituency)

The Honourable Gavin Phillip Short  
(Elected Member for Stanley Constituency)

The Honourable Michael Summers OBE  
(Elected Member for Stanley Constituency)

**PERSONS ENTITLED TO ATTEND**

The Attorney General  
(David Brown)

Commander British Forces, South Atlantic Islands.  
(Brigadier Barry Bennett OBE)

**CLERK OF THE ASSEMBLY:** Claudette Prior MBE

**PRAYERS:** Reverend Kathy Biles

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**The Record of the Budget Meeting of Legislative Assembly  
held on Tuesday 31 May and Friday 2 June 2016**

**Prayers**

**Mr Speaker**

Honourable Members, I invite you to please remain standing whilst we receive His Honour the Acting Governor, but I would also remind you please about mobile phones to be at least turned to silent, if not turned off.

**Clerk of the Assembly**

His Honour the Acting Governor.

**Mr Speaker**

Good Morning your Honour, I invite you to address the Legislative Assembly. Please be seated.

**His Honour the Acting Governor.**

Mr Speaker, Honourable Members,

I am pleased to stand today to provide the Governor's Annual Address, as the Government presents its Budget bill for deliberation, on behalf of the people of the Falkland Islands. This is the final budget to be delivered by this Assembly, and marks four years of improved performance and growth in the Falkland Islands. This Assembly has accomplished much, even in the face of challenging geopolitical and global economic conditions. Today, I have the honour of highlighting some of the important achievements of the last year, as well as setting out the Government's agenda for investing in the future of the country.

The Falkland Islands economy has performed well in recent years, outstripping OECD averages, and driven largely by revenues from our fisheries and offshore oil exploration. However, the last two years have also seen some limiting factors, including lower than average Illex catches. The oil industry has been adjusting to a prolonged era of lower global oil prices, which has delayed industry investment plans. Nonetheless, our economy continues to generate new economic activity, jobs and growth, as government and businesses invest in capacity to take advantage of future opportunities.

Government finances are currently in a healthy position, underpinned by strong reserves. This has allowed Government to propose a forward-looking agenda of investment in critical economic and social infrastructure, as well as in capacity to deliver its programmes. The investments outlined in this budget will ensure that Falkland Islanders have a future of economic opportunity, as well as improving quality of life.

At the same time, this Government continues its longstanding tradition of prudent economic management. It is clear that with investment comes risk. However, continued focus on

investment for growth, maintaining a stable tax regime, improving programme management and efficient delivery of services, will help to ensure that we maintain our enviable fiscal record.

In November 2017, Falkland Islanders will have the chance to elect a new Legislative Assembly. These new representatives will continue to be confronted by political and economic challenges that will directly affect the future of the Falkland Islands. They will have the opportunity to build on the advances made by this and previous Governments to enhance the sovereignty and wealth of our country, while maintaining our strong relationship with the United Kingdom, as a proud Overseas Territory.

This past year has seen many milestones. In June 2016, Britain voted to leave the European Union, triggering the “Brexit” process. Our Government has worked with businesses and the community to understand the potential consequences for the Falkland Islands; the work is ongoing and will continue to evolve as the UK Government develops its negotiating positions and potential impacts become clearer. The possible negotiation of bilateral trade deals between the UK and its key trading partners could also present new opportunities for both imports and exports.

As negotiations unfold, the Government will continue to strongly advocate for the interests of the Falkland Islands, both bilaterally and as a member of the UK Overseas Territories Association.

September 2016 saw the agreement of a UK-Argentina Joint Communiqué pledging closer cooperation on several key issues, including the removal of obstacles to a new commercial air link between the Falkland Islands and South America, the exchange of fisheries data to support healthy and sustainable fishing grounds in the region, as well as removal of threats to business investment and commercial activity in the Islands. This was followed by the UK-Argentina Summit in December 2016, which paved the way for the International Committee of the Red Cross to begin humanitarian work on the DNA identification of Argentine soldiers buried at Darwin Cemetery. Members took a full and active role as decisions were made.

Unfortunately, progress has been slow on the September 2016 agreement. The Falklands Government hopes that Argentina will move ahead with meeting the Communiqué objectives. However, the Government will not delay in identifying and implementing the best solutions to reach the Falkland Islands’ economic and social goals.

The unwavering support of the UK Government, reiterated by all main political parties in their election manifestos, provides the confidence to allow Government, business and families to plan for the long term.

The Falkland Islands is part of the international community, which is affected by increasing threats of global terrorism and political instability. In partnership with the Ministry of Defence at Mount Pleasant Complex, this Government has implemented new security measures at our national airport, installing new scanners and procedures to ensure the safety of passengers. In the coming months, this work will continue with the installation of electronic passport readers, to facilitate entry control of individuals that may threaten the security of the Falkland Islands.

2017 is the 35<sup>th</sup> anniversary of the Falklands conflict. It provides the opportunity to not only reflect on the sacrifices made to protect our home and sovereignty, but also to celebrate the 35 years of progress we have seen since 1982. The Falkland Islands is a leader amongst the UK Overseas Territories in governance, democracy, accountability and social development - and has an ever-increasing profile in the international community, attracting tourists to our world-class natural environment, competing in international sporting events and developing relationships with our international neighbours both near and far.

Nowhere is this progress more tangible than in the 2016 census results, which showed a growth in population to 3,200 residents, as compared to 1,800 in 1982. This is a 16% increase since 2012, and reflects a multi-cultural, predominantly working age population with almost 90% participation in the workplace. Unique amongst developed economies, the Falkland Islands has full employment, with a nominal 1% unemployment rate. And while we do see evidence of an aging population, our continued attraction of younger workers to supplement our own labour force is helping to maintain a ratio of pensioners that is well below that of the UK and other developed countries.

The 2016 Census also confirmed growth in Camp population, reversing a decades-long trend and signalling good prospects for our agriculture and tourism sectors. I applaud the young families and others who have embraced the challenges and rewards of Camp life and am pleased to highlight within this speech some of the commitments our Government continues to make to support a vibrant Camp economy.

In the 35 years since 1982, our economy has also grown dramatically, with GDP rising from £3m to £150m. Since 2012, average incomes have also grown and we have seen the results of the implementation of minimum wage laws to improve incomes for our lowest earners. I am pleased to report that Budget 2017/18 continues to support living standards, with the continued move towards alignment of the minimum wage to the living wage.

Mr. Speaker, in this past year, the Government has focused on setting the foundations for economic growth and development. We will soon be pressing our economic development plan for the next few years, building on the 15-year Economic Development Strategy adopted in 2010. It has involved wide-ranging consultations and identified new opportunities, as well as confirming areas of focus and critical investments required in infrastructure, programmes and resources to support our prosperity objectives. While Government investment will support and enable growth, we will look more and more to the private sector to partner with us in maximizing the economic benefits.

The 2017/18 budget reflects many of the previous priorities identified in the Economic Development Strategy review, with proposed capital investments in a new and modern Training Centre to improve the skills of our workforce, road infrastructure to open up West Stanley for residential development, enhancements to tourism infrastructure, and development work on a new port facility, power station and air terminal. The budget also confirms support for our partners in economic development, including the Rural Business Association, FIDC and the Tourism Board, so that they can continue to deliver improved services and support to the Falkland Islands business community.

Government intends to roll out a number of focused initiatives to expand and develop our labour force, support business and sector growth, reduce barriers and position the Falkland Islands for a bright economic future. These will be supported, in part, by the recently

introduced amendments to the Immigration Ordinance, which are intended to help us recruit and retain individuals with the necessary skills to build our community. And as our labour force expands, we must ensure that we provide safe, fair and equitable working conditions for all.

The Government and Ministry of Defence have worked hard over the last year to identify areas where we can collaborate, and where joint working can improve efficiencies and quality of services. We will also work closely together to increase our efforts to localise procurement and provide more opportunities for the private sector. We have already identified potential to collaborate on waste management and air terminal improvements, and are confident that many other synergies remain to be captured.

But, Mr. Speaker, while bold, these planned investments and support for economic development do not represent a change in direction for Government. Rather, they are a continuation and intensification of the work that has been ongoing.

For example, an ongoing, multi-year programme of repairs to the FIPASS port facility extends its life and serviceability in the short term, even while work proceeds on new port options. Our Customs & Immigration service is trialling a new electronic clearance system to streamline the movement of vessels, goods and persons through our seaports that should both enhance security and save time for businesses.

And with regard to our meat and wool industries, the Agriculture Department has continued work to improve livestock genetics, support crop trials and identify management and efficiency measures to help our farmers realise more value from their efforts. In addition, we reiterate our longstanding commitment to FIMCO, as they identify new markets for Falkland Islands meat.

Our farmers have benefited in recent years from strong wool prices, and the value-adding work we support through FIDC helps to ensure that Falkland's wool is of consistently high quality and can be sold for a premium price.

The private sector has also shown confidence in the future of the Falkland Islands. I note that the longliner *CFL HUNTER* has arrived in Stanley and congratulate Consolidated Fisheries Limited for their very significant investment in the Falkland Islands fishery. This splendid new vessel will shortly enter the Falklands' Marine Stewardship-certified toothfish fishery. And this is only one example of completed or planned investment by our fishing companies.

Mr Speaker, as you know, the Falkland Islands economy depends on the performance of a few key sectors, all related to our abundant natural resources.

This year we celebrated the 30<sup>th</sup> anniversary of the Falklands fisheries, a milestone achievement that has transformed our economy. It is with some pleasure, therefore, that I can confirm that its economic fortunes rebounded this year. The Falkland Calamari fishery has performed well and, while Illex catches are still modest, government revenues from Illex licenses are positive for the 2016/17 year. Our updated legislation, introduced in this last year, ensures that our fish products continue to be fully compliant with EU export requirements.

The Illex fishery would benefit from greater regional cooperation and data sharing with Argentina, and the Falkland Islands Government hopes that Argentina will work with us to support the ongoing conservation and management of this important fishery region.

In recent weeks, we have been preparing modern and robust Maritime and Harbours Legislation. This important legislation will reflect the unique Falkland Islands context while being consistent with international laws and conventions, and will provide the foundation for balancing the increasing range of activities we manage in our waters.

Mr. Speaker, while development of the Sea Lion field has been affected by continuing low global oil prices, there is still considerable momentum towards a near-term sanction of this project. Over the last year, we have been working closely with Premier Oil to review their design, development and management plans for the Sea Lion Field. Government remains focused on ensuring that development of hydrocarbons is sustainable and to the highest international standards, and that we achieve the best possible value for our resources.

Assessing and mitigating possible impacts of oil development on the environment is a priority, and the Government will introduce new environmental legislation in the coming months to ensure that oil development is consistently and effectively regulated to high standards.

Mr. Speaker, I was happy to see confirmation from the tourism industry that the number of land-based visitors to the Falkland Islands increased by 4.4% in 2016 and that we also received more than 55,600 cruise passengers, with strong increases in expedition cruises. Government intends to collaborate closely with the industry over the next year to develop a comprehensive tourism vision and strategy, to enhance the profile of the Falkland Islands as a “must-see” destination, and to improve both transportation links and infrastructure.

It is important to note that the Government recognises the value of our natural environment and its contribution to the prosperity and well-being of the Falkland Islands. We are renowned for our access to marine mammals and sea birds, our unspoiled landscapes and our clean air. Our farmers, fisheries and tourism operators depend on it, and importantly, our islands and waters are home to several protected species.

We should strive to preserve and protect our natural environment by minimising our impact wherever possible, and I am pleased to report that Government will develop a joint waste management strategy with our neighbours at Mount Pleasant Complex to implement recycling and to explore long term solutions for waste that cannot be reduced, reused or recycled. Government will also move forward in implementing its Biodiversity Strategy, focusing particularly on biosecurity and the eradication of invasive species.

Mr. Speaker, while economic growth is vital to the survival of any country, governments and societies are rightly judged by how they treat their most vulnerable members and by the quality of life enjoyed by their citizens and residents. In this respect, the Falkland Islands stands tall.

The 2017/18 budget includes significant resources for improved social services. This includes investment in a new Extra Care Facility for older and vulnerable adults, which will build on the considerable work done this year to improve home care. We also plan to invest in the

expansion of our hospital, which should eventually allow us to provide more medical procedures within our own facilities.

To provide our youngest residents with safe and appropriate care, we will be developing a Childcare Ordinance for the regulation of the nursery sector, and will make funding available to nursery operators for improvements to their facilities.

Over the last few years, Government has also put in place several measures to improve the health of Falkland Islanders, and these are showing results. In 2011, a ban on smoking in public places came into effect and we now see from the 2016 Census that cigarette consumption has dropped since 2012. We encourage all Falkland Islanders to remain active and strong turnouts at events such as the Stanley Marathon and numerous charity walks and runs is testimony to our hardiness. Government continues to support and promote sport and fitness and will invest in a new indoor sports facility in the coming year, as well as in new public health awareness campaigns.

We have instituted strong child safeguarding legislation and supported this with public awareness programmes with respect to both child abuse and cyber bullying. To support Falkland Islanders in distress, a 24/7 Community Support service was implemented this year.

We continue to focus on improving student achievement in both our primary and secondary schools. In particular, it is a measure of the hard work of both teachers and students that our GCSE results have been continuously improving over the last few years. With peer-reviewed procedures, strategies and developmental plans in place, both the Infant & Junior School and Falkland Islands Community School strive for excellence in teaching. Many of our students go on to further and higher education in the UK and beyond, and I congratulate our nine Falkland Islanders who have gained their university degrees this year.

It is important that young Falkland Islanders are aware of the many career opportunities available to them as they start out in life. The new Careers Officer at FICS is now available to help them make sense of all their options, including apprenticeships and trades training and I encourage all employers to engage with students as well. The Government also supports continuing education and lifelong learning through the Training Centre, which saw a 240% increase in qualifications over the past year, from an extended range of more than 250 courses.

I also want to briefly note the progressive changes to our Marriage and Families legislation which make both marriage and civil partnerships legal in the Falkland Islands for all couples, whether heterosexual or same-sex.

Mr. Speaker, the Government knows that residents rely on safe, dependable and adequate roads, power supply and water treatment. Therefore, an ongoing programme of repairs, upgrades and maintenance is a key responsibility of our Public Works Department. This year, we completed a number of important roads projects, including the surfacing of 3 additional kilometres of the Mount Pleasant road and improvements to the Ross Road. Interim high speed generators are to be commissioned for the power station at the end of 2017, to ensure an adequate power supply to Stanley while a new power station is being developed.

It is equally important that Government provides appropriate infrastructure and services in Camp. This year saw the refurbishment of the fuel depot at Fox Bay and the completion of improvement, capping and grading works on several Camp roads. Planned investments for the next year include improvements to the FM Radio system in Camp and continuation of government programmes to help fund the building of roads, ramps and jetties.

The Government continues to support the operations of its national domestic air service, FIGAS, and the Concordia Bay ferry. These transportation services provide crucial links to the mainland for Camp residents and without them, our prospects for tourism and agriculture would be diminished. FIGAS alone carried almost 7,800 passengers in the last year.

In 2017, the Falkland Islands Government implemented its new Telecoms regulations and finalised a contract with the monopoly provider that is expected to deliver significant service improvements for internet and mobile phone users. The regulations set out transparent and clear expectations and penalties with respect to this vital service and will be closely regulated by a new Regulator.

Mr. Speaker, Falkland Islanders trust their government to provide public safety and security and there are a number of departments and services that carry out this vital function. Over the last year, the Government has invested considerable resources to strengthen our police services and will be implementing several changes over the coming months. In a challenging time for the Royal Falkland Islands Police, I recognise the dedication and hard work of its members in upholding the law and keeping our community safe.

Falkland Islanders will be aware of the importance of both our fire service, which welcomed its first fulltime female firefighter this year, and the Falkland Islands Defence Force, which provides essential search and rescue services and complements the delivery of defence alongside BFAI.

And we should not forget the many other services that exist to keep us safe. In the last year, our Civil Aviation authority has responded to the increasing presence of drones by launching a safety awareness campaign emphasizing the responsibility of users to obey regulations and keep our aircraft safe from drone interference.

Our Customs & Immigration service also works diligently to ensure the security of the Falkland Islands, reviewing more than 1500 work permit and visa applications in the last year, preventing biological contamination from imported goods and working jointly with the Joint Provost Security Unit to control our borders and keep illegal drugs and other contraband out.

This year has seen the commencement of the Crimes Ordinance and the Criminal Procedure and Evidence Ordinance, which modernises and strengthens our justice system. An updated Prisons Ordinance became law in April, reflecting our adherence to international human rights standards for the treatment of prisoners and making the Falkland Islands a leader amongst overseas territories. Also in this past year, the new prison extension was completed, offering both improved security and a more appropriate environment for the rehabilitation of offenders.

Mr Speaker, my words today can only reflect some of the highlights of the Government's past activities and agenda for the next year. I should also note that Members of the

Legislative Assembly have passed 137 pieces of legislation since 2013, each one a reflection of hundreds of hours of research, consultation and effort to ensure that our laws serve Falkland Islanders well. In just the past year, 17 bills were completed and I am pleased to report that, in June, we will see the culmination of a multi-year effort by the Law Commissioner to provide online access to all our legislation, a fundamental pillar of democracy and government transparency.

Once again, this Government embarks on its new financial year with ambitious legislative, policy and investment priorities that reflect its commitment to the prosperity of this and future generations. Our eight current Members leave a strong foundation for the new Legislative Assembly that will replace them.

The Falkland Islands' principles of democracy, fairness, transparency and generosity guide this Government in its work and it is proud to reflect the values of its people. I know we all look forward to the year ahead with confidence, as the Falkland Islands rises to meet every challenge and continues on its path of growth and prosperity; a proud British Overseas Territory and a proud member of the global community.

Thank you.

**Mr Speaker**

Your Honour, I invite you to remain in the Chamber for an expression of thanks.

**The Honourable Ian Hansen**

Mr Speaker, Honourable Members, Your Honour, in keeping with the change of format introduced at last year's Budget Assembly it is my pleasure as Chair of the Assembly at the moment to thank you for your Address today, to this House and to the people of the Falkland Islands. Shortly, I am sure we will be discussing, debating and commenting on many of the points you have raised in your address. Your Honour, on behalf of this Assembly, thank you very much.

**Mr Speaker**

Honourable Members, and Your Honour, the Assembly is now recessed for 15 minutes. If you could all be back in the Chamber, by quarter to ten. Thank you.

**RECESS**

**Mr Speaker**

Honourable Members the Assembly resumes, and we start with motions.

**Clerk of the Assembly**

Motion No 6 of 2017 by the Honourable Ian Hansen

That this House agrees to suspend Standing Order 5(2) for this sitting of the Legislative Assembly to enable the Assembly to take Motions, of which notice has been given pursuant to Standing Order 43, out of order.

**The Honourable Ian Hansen**

Mr Speaker, I am content to propose this motion.

**Mr Speaker**

Thank you, and seconded by the Honourable Gavin Short.

**The Honourable Gavin Short**

Speaker, I second.

**Mr Speaker**

Does anyone wish to speak to that motion? The motion is that Standing Order 5(2) will be suspended for this sitting of the Legislative Assembly, is there any objection to that motion? There is no objection, the motion is carried.

**Clerk of the Assembly**

Motion number 7 of 2017 by the Honourable Ian Hansen

That this House notes the address of His Honour The Acting Governor and believes that this is an appropriate point for the Government to consider its agenda priorities for the forthcoming year.

**The Honourable Ian Hansen**

Mr Speaker, I propose the motion.

**Mr Speaker**

Thank you, and the Honourable Gavin Short to second.

**The Honourable Gavin Short**

I second.

**Mr Speaker**

Thank you, does any Member wish to speak to that motion?

**The Honourable Mike Summers**

Mr Speaker, Honourable Members. I thank His Honour the Acting Governor for his Address to the nation, which to some extent reflects on what's happened in the year gone by, but also looks forward to what the Government hopes to achieve in the short time left in this particular Government, but one of the important features of our form of Government is that, after an election, the process continues, without great swings one way and the other in either economic or social and political strategy.

There are some important issues running around that have been raised by the Governor's speech, the political context most of all. It matters a great deal to us, and the uncertainties created by Britain's decision to leave the European Union have created uncertainties here. But I am happy that the Government has acted in a strong fashion and will continue to act in a strong fashion, to protect the interests of the Falklands' industries. The political context in respect of Argentina, of course, is ever changing, and you can't be sure from one week to the next quite where things will be going. We hear just in the last day or so that there is to be a change of a Foreign Minister in Argentina. It remains to be seen from what direction the new Minister comes and whether that will have an effect on the Falklands policy.

What is important I think, in an odd sort of way, is the huge resource that has been taken up by the Brexit obligation in the UK, and financial austerity has reduced the ability to some extent of the UK Foreign Office to do the sort of things that they might otherwise have done for us around the world and therefore increases the importance of Public Relations and Public Diplomacy activity by Falkland Islands Government, and, whilst I appreciate and accept that some members of the community don't always see the value in Members going to countries overseas to promote the Falklands, I can assure you that it is absolutely essential to maintain the friendships and co-operation and background work that happens in those areas.

Mr Speaker, I won't talk much further about the issues raised in the presentation by His Honour, other than to say that in my view the most important thing going forward is the section entitled 'investment for growth'. There are issues around the tourism industry, the fishing industry, around workforce development, recruitment and retention and training, that need a lot of attention and will take a lot of the Government's time up until the Dissolution and for the next Government going forward. Other areas in terms of investment in social programmes, the Vulnerable Persons Strategy looking after children, looking after older people, I'm delighted that we have been able to push that forward and achieve that now, at least in terms of the older people's section, requires delivery. We've set the ground work for it, it has to be delivered.

And just in closing I would like to make a remark about the Royal Falkland Islands Police. They have had a difficult time in this last year or so, but they are in good heart and there to protect members of the community from those who would do ill. I would like to offer all my personal support to the members of the Royal Falkland Islands Police, not only those who are doing the higher profile work in child protection and scene of crime investigations, but all those in the background who do the routine and regular work that is essential for the protection of our community.

Thank you, Mr Speaker.

### **The Honourable Michael Poole**

Thank you, Mr Speaker, Honourable Members.

As we finish up the final budget of this Assembly, I think it is fair to say that we have been a very fortunate Assembly in a number of ways. I mean we have faced relatively benign economic conditions and have had the advantage of mostly strong fishing years, and also oil activity in the middle of that term as well, as well as low fuel prices at the pump that has helped to keep inflation down. Ultimately, I guess our performance is for the electorate to

judge come November, but I would hope that we have helped to move some things on, and I think the criticism that I hear most often about this Assembly is that we have not moved quickly enough or pushed hard enough, particularly in relation to capital projects. I think that most Members around this room would accept that criticism to a point. There are varying reasons for that, but I think it's probably an acceptable view of the community.

However, I do believe that the outcomes of the work that has been undertaken over the past four years will be seen during the next Government. During this budget, we'll provide the Honourable Chief Executive with considerable extra capacity to manage and implement key capital projects, as well as economic development initiatives. I believe we have been very generous in that regard in this budget, perhaps a bit too generous in my personal view, but there is no doubt that things have taken slightly longer than we would hope because of a lack of people, that are moving on. I believe that we are only now getting to grips with that issue and I do feel very positive about the coming four years.

The only area that gives me real cause for concern, and I think others, as it has been mentioned as well, is that of the UK leaving the European Union. I am pleased that the Falklands Islands Government have employed some extra support in recent weeks to help deal with this issue. FIG and local industry collectively are in a strong place in terms of understanding the implications of Brexit for us, and they have done a very good job of communicating that to the UK Government, but we cannot afford to be complacent about this, or to rely upon the UK Government to solve this problem for us. We have to continue to engage pro-actively and regularly as we have been and we should not be afraid to invest up front to hopefully increase the likelihood of a better outcome for the Falkland Islands in the Brexit process. We cannot afford to get this wrong, as Members have said previously, so we just need to make sure there is the capacity and the money there to make sure we get it right.

Mr Speaker, I would just finish with passing on my thanks to my portfolio area, for all of the work in the past year and the previous three, and I look forward to continuing to work with them over the last few months of this Assembly.

Thank you, I support the motion.

### **The Honourable Ian Hansen**

Thank you, Mr Speaker, Honourable Members.

I too shall be fairly brief. Of course, it is 35 years on from the Falklands War and 30 years since our fisheries was formed, so obviously, there has been many changes in our economy in that time, there has been peaks and troughs, over the years, and that always makes the budget process an interesting thing to happen, but more on the budget later on in the week, no doubt.

Mr Speaker, we have made without question considerable progress since 1982, but over that period there have been downsides. In particular, there was the steady depopulation of Camp. Hopefully, we can now look in the other direction, as I do believe we are seeing a trickle of younger families moving into camp and also FLH farms have almost full complements of staff, so I think we are going in the positive direction there, and we must do all we can to encourage this trend and make sure it continues.

Just briefly on a few things, in the address from His Honour that mentioned my portfolio issues. It is encouraging to see FIGAS is still moving more passengers annually, but we have to be aware that if this continues, and we hope it does, we must be forward thinking on plans for the future, that when or if tourist numbers increase even more we can handle the situation, and are not caught out.

This year also, it was gratifying to see contracts have been agreed and signed for the ferry service, and this service has, I think, over achieved as far as expectation was concerned, when was first introduced, and again that's very positive.

Just briefly on the UK/Argentina Joint Communiqué as the Honourable Mike Summers has spoken about, I think it was disappointing, but not totally unexpected, or not certainly by the more cynical and elderly of this Assembly.

I think just finally, Mr Speaker, Honourable Members there has been in this last financial year a huge turnover of Directors and Officers in the Civil Service and it hasn't made life easy I am sure for those running the country and I think those that have stood in and stood up and to be counted, they deserve congratulations.

Mr Speaker, thank you.

### **The Honourable Jan Cheek**

Mr Speaker, Honourable Members.

I thank His Honour the Acting Governor for his Address and would like to endorse the remarks about prudent economic management and stable tax, which allow Government and business to plan for and invest in the future. As I have said many times before, our reserves gives us the ability to make our own budget decisions. We also have the ability now to set an ambitious capital programme, assuming that we can attract sensible bids for the work.

With the election just months away, I'd urge capable and public spirited people to put themselves forward, in what is a demanding but worthwhile role. Not only do you get an opportunity to make decisions that shape the future of our country, but you get the chance to tell people all over the world about it, and that is not as difficult as could be imagined. We've a good story to tell, and truth can win over spin and distortion almost any time.

35 years on, as has been mentioned by the two previous speakers, it's disappointing that Argentina has apparently been unable, unwilling or both to lift some of the obstacles that hinder our trade. We're ready to be good neighbours and have offered to share information to assist in sustainable fisheries management for the area, and this is a world responsibility, not just ours, and we have met the same brick wall. Faced with such intransigence, we have to continue to work to manage with the information and science that we do, to ensure that our largest source of income is secure.

We are working equally hard to ensure that, when oil activity resumes, our legal, fiscal and environmental regimes are ready. It's important in this respect and in that of fishing, that Government values the role played by Falkland Island businesses and other companies that invest here. Together they create the substantial tax base that, with our other income, make

our country viable. I am hoping that the EDS Review, currently underway, will have a positive effect and encourage more development in the future.

We have to acknowledge that none of this would be possible without the ongoing support and security provided by the commitment of the UK Government to facilitate our public diplomacy programme and in the provision of our defence.

I support the motion.

### **The Honourable Roger Edwards**

Mr Speaker, Honourable Members,

I too would like to thank His Honour the Acting Governor for his speech this morning and I thought it generally reflected the way we are, where we are, and where we are going.

I believe the Falkland Islands is in a good place, despite the continuing economic sanctions imposed upon us by our neighbours. During His Honour the Acting Governor's speech, he said that progress was slow following the September Joint Statement. I would change that to No. Slow is No. They have not made any progress. They have not dropped any sanctions against us. However, we are continuing to look for those economic things that will provide a future for these islands, other air links, outside of South America, people are approaching us, it is somewhere that we can look forward to. We have many challenges and we must continue to be prudent.

During the course of the year, the United Kingdom public in their referendum decided to leave the European Union. This will give us many challenges, but we are in close contact and are hoping to actually get benefits out of this Brexit, and end up in a better and stronger place.

Oil, oil prices - we were fairly confident that they were going to come here, open up the oil reserves we have under our own oceans, but then the oil price dropped, and it looks like the oil price will remain low. So in all our deliberations during this, and I expect future budgets, we must look forward to a case of no oil, and therefore we must ensure that everything we can is put in place to continue our economic development.

The United Kingdom also has decided to go for a General Election, next week on June the 8<sup>th</sup>. This has imposed some difficulties on us because they go into a period of purdah, and so we can't get any sensible answers out of the UK as to what is going on. We ourselves go into elections later on in the year, and as my colleagues have said previously, I hope we see a good turnout of the candidates because we have done so much, but there is an awful lot more still to be done, and we leave that to future Assemblies.

And finally, Mr Speaker, I wish the Governor a speedy recovery and trust we will see him back here very shortly.

Thank you, Mr Speaker.

## **The Honourable Dr Barry Elsby**

Mr Speaker, Honourable Members, I will be brief. I would also like to thank the Acting Governor for his speech today, and I think it did reflect much of what's gone over the last few years, and it is a very positive one.

I would just like to touch on oil, as other members have. There was a time when we hoped that by 2017 we would be expecting the first oil into tankers, and that is clearly not happened, largely because of the collapse in the world oil price. I think we are in a situation that is unusual in a sense that we don't desperately need that oil. Our economy is strong, we have no unemployment, we have substantial savings and so it will not be oil at any price, and if it needs to be delayed, so be it. We can't predict the future of the oil price, but the oil is not going anywhere, it's still there, and if we need to wait a little longer, so be it.

The other thing the Acting Governor touched on was the DNA examination, the International Red Cross coming to the Falkland Islands to help identify the unknown soldiers at the Darwin Cemetery. The Falkland Islands Government was very much involved in this decision and these discussions and we approved that they should happen. It is an humanitarian gesture to identify the dead, but also within that agreement was the fact that the wishes of the family, the wishes of the Argentine families would be paramount, when it came to the repatriation of the bodies, and I think that once those bodies are identified the vast majority of the families will ask that those bodies be repatriated to nearer their home, and I would expect the Argentine Government to agree with that, and to agree that the bodies can be sent back to Argentina.

I'd just finally like to touch upon telecoms. It is clearly a problem that most people have. Internet is nowhere near what it should be, despite all the promises we have had from Sure, and the upgrades that we thought would only take a few days are taking weeks and weeks. I for one, and other Members, have said to the Chief Executive, "we have a Regulator, that Regulator has powers, powers to impose significant fines". I expect the Regulator to do his or her job, and actually use the Ordinance, but more important than that, I think, I ask Sure to recognise what this is doing to their image amongst their users, and if they have any hope of regaining support from the community they must make a very substantial compensation package once all the upgrades are put in place.

Mr Speaker, I support the motion.

## **The Honourable Phyl Rendell MBE**

Thank you, Mr Speaker.

In rising to support the motion I would like to thank the Acting Governor for his address and make a few comments on his address that he delivered this morning. I, too, would like to thank him for reiterating the unwavering support of the UK Government to our right to determine our own political and economic future.

Although there is an election underway in the United Kingdom and the results will be known next week, I think next Thursday evening in fact, I think we've seen that all the main political parties support our current status as they clearly set out in their manifestos. So, whatever the outcome, I think Falkland Islanders can feel quite comfortable about the fact we will continue

to have that support from whatever government is elected after Thursday night next week, and as a result of that and in continuing, of course, we have been working on the budget and we have a bold budget for the coming year which reflects that confidence.

We look forward to the new UK Government also re-engaging with their opposite numbers in the Argentine Government over what was agreed between them both last September, and I would like to re-iterate, as the Acting Governor said, that it is absolutely critical we manage the Fish stocks in the South West Atlantic in a responsible way, and as he commented we really do need to do this in regard to the Illex fishery and it is an outstanding matter that needs addressing.

And secondly, I look forward to the United Kingdom Government also re-engaging on agreeing a way forward with a second flight from a third country in South America. After all, this is only an extension of what we already have with Latam flight, and it comes under the terms of the '99 Agreement, and if we don't make any progress in that area, we will need to look at other routes that are available to us, to really keep pace with our growing economy and our social needs.

His Honour mentioned the Brexit issue, and the United Kingdom is working with us to understand the potential consequences for our exports in particular. Going forward, the United Kingdom needs to be fully committed to negotiating continued tariff free access for our exports into the EU. Anything less than that will have serious financial consequences for both our industries and the United Kingdom Government.

His Honour's comments on the 35<sup>th</sup> anniversary since the war will be appreciated by Falkland Islanders and by veterans alike. It is a time to reflect, but it's also a time to look at what has been achieved over those 35 years. He also mentioned the Census, and we have seen the preliminary results and await the full report, but certainly the Census shows encouraging trends for the Falkland Islands, particularly regards to the growth of the Camp population that the Honourable Ian Hansen mentioned already, and it is the first time in decades, that we are seeing an increase in numbers in the Camp and this brings increased economic and social activity beyond the boundaries of Stanley, and this is really encouraging.

Finally, Mr Speaker, the Government set out some of the measures that we have been considering in the new budget, which will be clarified by Friday, and it is right to say that we have focused on funding investment to ensure Islanders have a future of economic opportunity while continuing to support improvements to quality of life. And to achieve this and with the input from the Chief Executive, Mr Barry Rowland, we will ensure that funds are available for improving project management to see that many more developments get through to fruition.

Thank you, Mr Speaker. I support the Motion.

### **The Honourable Gavin Short**

Mr Speaker, Honourable Members.

In rising to reply to the Acting Governor's Address and indeed thank him for it, I would just like to touch on a couple of issues, if I may, which I guess largely on external relations. He is quite correct that we indeed signed up to an agreement with Argentina, that included such

things as flights, the dropping the sanctions, co-operations in fisheries data, etc. Now I am not a diplomat, so my take on all that has happened may well be a little bit blunter than his. As far as I can see, the Argentine Government is either unwilling or unable to honour one thing that they have signed up to. I am not overly sure that they had any intentions to either. The policy of mutterings soon and '*manana posible*' (possibly tomorrow) suits them well, as it puts anything Falklands-wise in the long grass, whilst the sanctions etc. put in place by the Kirchnerists stay in place, and the DNA process goes ahead which is probably what they really wanted from the start. I would also quite like to alert him and the FCO, and I'm sure they quite aware of this anyway, that I certainly have noticed the change in language that is being reported in their newspapers. Wherever the Argentines go nowadays they are thanking whatever Government that they happening to be visiting for their support on the Falklands. This language has only quite recently crept back in, and it certainly is a return to the Kirchner era. The Argentine Government is either actively putting the language back in or it is another sign that they cannot control their Civil Servants. Whichever it is, it certainly doesn't portray them as being serious players when it comes to trying lessening tensions in this part of the world, or to honouring agreements that they voluntarily signed up too. I would also like him to pass back to the FCO that against this background we see statements in the Argentine press, that are reported to come from the Diplomatic service to the effect, that the Falklands is serious about reconciliation, actually I speak for myself, no we are not. I have no wish to be "reconciliated" if that is such a word, with a country that actively wishes to thief mine. Now it could be the person was misquoted, one hopes so, but I have the feeling that are some out there who would like us to cosy up and be chums. It isn't going to happen, like a lot around this table, I am old enough to remember the days when the FCO where forcing us towards Argentina. We didn't want it then and we most certainly will never, ever let it happen again.

This year though has had its moments, but the Falklands continue to grow ever stronger. Oil may or may not happen, but we don't actually need oil to survive. Why is this? It's because as I have said, our economy grows and expands, we are not sitting back waiting for something to happen, but are using everything that we have to force the issue. This budget will see extra measures being put in place to enhance our economic growth. This is a theme I will return to later on in the week.

Perhaps just returning to something closer to home for me, I would like to thank the Acting Governor for refraining from mentioning the Public Jetty. I am relieved that the deed is now done, but what might amaze people is that I will be returning voluntarily to this subject later on in the week. The Public Works have indeed continued to deliver this year. They have faced some labour shortages, I know other departments have as well, but with a band of able people that we have working with us, both our own directly employed people and contractors, projects have been delivered and maintenance works carried on, and if anything, we are actually accelerating the works. Perhaps the one department that I do really feel for though is the power station. Whilst I am happy that the interim generators are now under way, I am still a little grumpy that it has taken so long. Hopefully whoever has the privilege on reporting on the Public Works this time next year will have an even better report to give.

We must be bold and determined in forcing economic growth. Air links are very important and we must be prepared to put our money where our mouths are, if those across the way will not honour what they sign up to. I sincerely hope that we dedicate people in making something happen rather than taking what I see to be a rather laid back approach at the moment. That said, as we forge ahead we must never forget nor neglect our traditional industries, who continue to play an extremely important role here in the Falklands, nor must

we do anything that marginalises our native population. Our present immigration policy is at a pace so those that come in happily integrate and assimilate. We must not do anything that threatens the racial harmony that we have in the Falklands that must be the envy of just about every other country in the world. All in all, I think we have had a good, steady year. We're growing nicely and both the Government and private sectors have played their parts in this. To you all, and that pretty well includes everyone here in the Falklands really, I would like to thank you for doing your bit for our country, thank you.

### **Commander of British Forces**

Mr Speaker, Honourable Members.

I would also like to thank the Acting Governor for his Address. It certainly resonates with all that I have seen in my very short time in the Islands. I would like to congratulate this Government though for creating the conditions for the joint projects that you intend to take forward with your MoD neighbours. There are certainly great opportunities here, be it waste management, the air terminal, the further utilities sharing or more local purchases, just to name a few, and sense there are many more. I would also like to report that we have started closer work through regular training with Falkland Islands Defence Force, and I sense we can really take that opportunity forward and will get that relationship going much closer than perhaps has been in the past, and I will drive that forward now.

I would like to challenge us all though, in your short term you have left in Government, to keep that tempo up and set your successors up for success. There are real great opportunities to be had with working with the MoD and I think we can drive that further forward.

Mr Speaker, thank you.

### **Mr Speaker**

Honourable Members.

The motion before the House is that this House notes the address of His Honour the Acting Governor, and believes that this is an appropriate point for the Government to consider its Agenda priorities for the forthcoming year, is there any objection to passing that motion?

There is no objection, the motion is carried.

### **Clerk of the Assembly**

Confirmation of the record of the Legislative Assembly held on the 27<sup>th</sup> of April 2017.

### **Mr Speaker**

Honourable Members, I have in front of me a record of our last meeting, is it your wish that I sign this as a correct record.

### **Members of Legislative Assembly**

Yes.

## **Clerk of the Assembly**

Papers to be Laid on the Table by the Honourable Chief Executive

Copies of Subsidiary Legislation published in the Falkland Islands Gazette since the last sitting of the Legislative Assembly and Laid on the Table pursuant to section 35(1) of the Interpretation and General Clauses Ordinance 1977.

- Coins (Commemorative) Order 2017
- Coins (Circulation) Order 2017
- Registration of Marriages (Amendment) Regulations 2017
- Registration of Civil Partnerships Regulations 2017

In accordance with the Falkland Islands Constitution 2008, Chapter VII

- Courts and Tribunal Services, Framework Document

## **The Honourable Chief Executive**

Mr Speaker, I lay the aforementioned Papers on the Table.

## **The Honourable Roger Edwards**

Mr Speaker, under Standing Order Section 41(3), I move that the Coins (Commemorative) Order 2017, Coins (Circulation) Order 2017, Registration of Marriages (Amendment) Regulations 2017, Registration of Civil Partnerships Regulations 2017 be noted.

This Coins Order, No 8, authorises the minting and issue of seven commemorative coins, the first two coins celebrate the life of Her Majesty Queen Elizabeth, and his Royal Highness Prince Phillip, a single coin to celebrate the anniversary of the composition of Rule, the first in the series will feature shipwrecks and famous vessels with Falkland Island connection, this coin will feature HMS Desire, a coin that features a Snow Crab as part of a series on the marine wildlife of the Falklands, there is also a coin celebrating 30 years of the Falklands fishery and finally a commemorative coin under the wording 'Lest We Forget' in commemoration of the Liberation of the Falkland Islands.

Coins Order No 9, will authorise the minting and issue of a series of coins that will depict the penguins of the Falkland Islands, the first will feature the Rockhopper penguin, and future issues featuring the Gentoo, Magellanic and King penguins.

There are two Family Law Papers, following the enactment of the Marriage (Amendment) Bill Regulations have been drafted to provide the administrative processes underlying same sex marriage and civil partnerships. MLA's are asked to note the papers. They do not substantially make any changes to the current administrative process used for marriage, one of the forms used to register marriage Form 3, Declaration for Marriages of Certain Persons Related by Affinity, have been amended, such that there is now a gender neutral list of relationships, that also incorporates affinity by Civil partnerships, for example instead of referring to a son of a former spouse, the form now refers to a child of a former spouse, and a child of a former civil partner.

The Civil Partnerships Regulations mostly mirror the Registration of Marriages Regulations, for example it provides the same pre-registration requirement and licencing requirements, the civil partnership regulatory requirements obviously do not require the same solemnisation process as marriage but rather a Civil Partnership is formalised with a signing of a Civil Partnership document, Mr Speaker I ask the Assembly to note these.

**Mr Speaker**

Can I have a seconder please, for that motion? The Honourable Phyl Rendell to second.

Now does any Member wish to speak to that Motion?

There is no debate. Honourable Members, the Motion is that the Coins (Commemorative) Order 2017, the Coins (Circulation) Order 2017, the Registrations of Marriages (Amendment) Regulations 2017 and the Registration of Civil Partnerships Regulation 2017 be noted.

Is there any objection to passing that motion?

There is no objection, those are documents are noted.

**The Honourable Ian Hansen**

Mr Speaker, Honourable Members.

Under Standing Order Section 41(3), I move that the Courts and Tribunals Services Framework Document be noted. This document focuses on separation of powers, aims, objectives and responsibilities of these services. It will be reviewed every three years, but the review can be brought forward, if deemed necessary.

Mr Speaker, I ask the Assembly to note this document.

**Mr Speaker**

Can I have a seconder for that motion please?

The Honourable Michael Summers to second.

Does any Member wish to speak to the Motion?

**The Honourable Michael Poole**

Thank you, Mr Speaker, Honourable Members,

I would just note that I am pleased to this this document before us today, with recent incidents in some developed countries of what appears to be inappropriate interference in the Judicial system by the Executive. I think it's timely that we see this come before the Assembly, clearly laying out our joint responsibilities for the Rule of Law and Judicial independence, it is important and I believe the document does it well and very succinctly.

I would also like to take this opportunity to thank all of those involved within the Court system, particularly those JPs who volunteer their time. It can't be an easy role, and nor always be a popular one, but justice administered by members of the community to that community is by far the preferable approach to things, so I thank those that do give their time to that system.

Thank you, Mr Speaker. I support the Motion

**Mr Speaker**

Any other Member wish to speak?

**The Honourable Michael Summers OBE**

Mr Speaker, Honourable Members.

This is the sort of Document that can easily pass by members of the public without really being noticed, but it is of fundamental importance.

The constitution sets out a clear separation in the three pillars of government, between the Legislative, the Executive, and the Judicial branches of Government. There is quite a blurring of the division between the Legislative and Executive branches for all sorts of reasons that we know about. There shouldn't be, and there isn't I hope in the Falklands, a blurring between the Executive and the Judicial branches of Government.

But, nevertheless, the Judicial branch of Government is a branch of the Falkland Islands Government, it is not a branch of someone else's Government, it is not a service provided to us by somebody else from somewhere else, it is a part of the Falkland Islands Government, and we have had instances in the past when the responsibility that the judicial pillar of Government has to the rest of the Government collectively wasn't perhaps recognised in the way that it might have been. So, this is an important document. It sets out, together with the code of practice for the Judiciary, which has previously been approved, the way in which the Judiciary will function within the Falkland Islands Government.

Thank you.

**Mr Speaker**

Does any other Member wish to speak?

Honourable Members, the Motion is that the Courts and Tribunals Services Framework Document be noted.

Any objection to that Motion?

There is no objection, that is carried.

## **Clerk of the Assembly**

Questions for Oral Answer.

Question Number 9/17 the Honourable Gavin Short

## **The Honourable Gavin Short**

Honourable Members.

Given reports that there have been regarding horses being able to cross fences in the Sapper Hill area, could the Honourable Phyl Rendell please state what measures are being taken to repair or replace the fences in this area, so they are in good condition and one hopes stock proof.

## **The Honourable Phyl Rendell MBE**

Thank you, Mr Speaker,

The Department of Natural Resources has an annual budget of one thousand pounds for the repair and maintenance of Common fencing. This budget was fully expended this year.

Repairs and maintenance are undertaken on an as needs basis, as has recently been the case in the Sapper Hill area. The Department uses fencing contractors to undertake this work.

Users of the Common can report faulty fences to the Department of Agriculture and arrangements can be made for making those repairs. So, I would urge anybody with concerns about fences and horses not in the right place, that they contact the Department of Agriculture and they will then go about making the amendments.

Thank you, Mr Speaker.

## **The Honourable Gavin Short**

Mr Speaker, Honourable Members.

I thank the Honourable Lady for her reply, but I may well have missed the salient point. Have we actually done new repairs on these fences?

## **The Honourable Phyl Rendell MBE**

Thank you Mr Speaker, yes we have indeed, and I am told that horses are horses and some are quite incalcitrant and they do, some are keen to lean over the fence, because they think the grass is greener on the other side, so rails do get broken and I understand that the department are talking with the Horse Owners Association to have some dialogue about how to control some of these horses, and then possibly have to speak to some of the owners, but I am aware that fencing has been carried out in that area.

**The Honourable Gavin Short**

I thank the Honourable Lady for her reply.

**Mr Speaker**

Does any other Member wish to speak?

**The Honourable Dr Barry Elsbey**

Mr Speaker, Honourable Members,

I wonder if the Honourable Phyl Rendell could tell me what happens to all the fees then that are charged for horses grazing on. If there is only a one thousand pounds budget for fencing, and that has already been exhausted, where does the money go to from horse owners?

**The Honourable Phyl Rendell MBE**

Thank you, Mr Speaker,

The Honourable Barry Elsbey will be aware that all fees paid to the Government go into the Consolidated Fund, they don't go back into the pot to be spent, and the Director reminds me too that fees were lowered a few years ago for horse grazing, that was a decision of the last council, and they are not a great deal of money, and the balance has been considered that a thousand pounds is the correct balance against those fees. If we want some better quality fences etc., the next Assembly needs to look at increasing those fees to have a greater budget to repair fences, but I might say this is an issue that the Department are looking at seriously, because we are recovering large pieces of the Common from the minefield clearance, so going forward there will be a need to look at fencing on a wider scale, so it is being addressed.

Thank you, Mr Speaker.

**Mr Speaker**

Any other Member wish to raise a supplementary question or comment?

**Clerk of the Assembly**

Question Number 10 /17 by the Honourable Gavin Short

**The Honourable Gavin Short**

Can the Honourable Michael Poole please tell the House whether the Environmental Committee have discussed the problems that are being reported by farmers, whereby petrels and turkey buzzards are seemingly changing their feeding habits and, in the case of the petrels, going after live sheep, with a view to producing recommendations as to how this problem can be alleviated?

## **The Honourable Michael Poole**

Thank you, Mr Speaker, Honourable Members.

This issue came up in the Camp public meetings over the weekend and the Camp community, as they often do, expressed their unquestioning and unequivocal support for Environment Committee and its policies, so that was very helpful and reassuring, but then my Honourable Colleague had asked me a similar and related question, about the feeding habits of Turkeys in October of last year, at that point I committed to Environment Committee discussing this issue more widely. I apologise to my colleague that this has taken some time, but I am pleased to say that the Environment Committee did discuss this issue, and the interactions between the birds of prey and livestock, when it last met on the 18<sup>th</sup> of May. There was a lengthy discussion on the subject including the sharing of experiences by farmers and the DOA representatives in attendance at the meeting.

In relation to Turkeys and Caracaras, the Committee agreed to retain the current licencing process, land owners can apply to the Environmental Planning Department for a licence to shoot Turkeys and Caracaras if they need to, they do not have to prove that livestock have been killed before requesting a licence, they can do it pre-emptively and 30 licences were issued in 2016. No licence has been unreasonably withheld over the years and the Environment Officer has been commissioned with publicising the existence of this licensing regime over the coming weeks, and during Farmers' Week in early July.

In relation to Giant Petrels and their impact on livestock, this is a less studied area. The Falkland Islands has for a number of years been signatories to ACAP, an international agreement on the protection of Albatross and Petrel species. The Environment Committee agreed the Environmental Officer should make primary investigations into how licences to destroy Giant Petrels would be considered by the ACAP agreement, we are awaiting that advice at our next meeting in late June, we will then look to this discuss this issue with Farmers at their annual meeting in early July.

There have been some studies on the interactions between birds of prey and livestock and we will use numbers from those studies to help inform these discussions. However, the studies are quite dated, so we have also asked the Department of Agriculture, to look to get an assessment of the actual numbers of stock lost annually to bird attacks, we need to move beyond anecdote and base decisions on an objective assessment of the true level of risk and the DOA are looking to help us make that assessment.

Thank you, Mr Speaker.

## **The Honourable Gavin Short**

Mr Speaker, Honourable Members,

I thank the Honourable Member for his reply and look forward to seeing something concrete coming out of the end of this, I mean, the question of Stinker (Petrels) attacks isn't a new one, I think it's been round for years. I remember, I'm sure, I heard some of the older folk talk about this, and it seems to come and go, but I think somebody may have to keep an eye. May I ask a question, whilst a fine answer when it comes to blasting the occasional turkey out at Camp, what about town? I don't think I'll get a licence for whacking a few around town, so

is there any thoughts being given to lessening the numbers around town, with some method? Other than us using catapults or something?

**The Honourable Michael Poole**

Thank you, Mr Speaker.

I mean that is not an issue the Environmental Committee has discussed, I am not aware of any particular, kind of pressure in the Stanley area that would require us to consider that. Again, if there was a request I would be happy to ensure that a mechanism could be created to allow for it, if it was deemed necessary. Thank you.

**The Honourable Gavin Short**

That really was what prompted my initial question those few months ago, when turkeys were spotted around town actually changing their habits and going after livestock, rather than waiting for it to keel over and fester as they used to in the old days.

**Mr Speaker**

Does any other Member wish to make a comment?

Ask a supplementary question?

**The Honourable Roger Edwards**

Mr Speaker, Honourable Members.

I was going to comment on this, but the Honourable Michael Poole has already covered most of the points. This subject was raised at Port Howard, Hill Cove and again at Fox Bay during our meetings this last weekend. I do believe that farmers have a perception that the attitude of the Turkey Vultures, the Petrels and so on is changing. It was always recognised that the Turkeys did a vital role in cleaning up the camp of sheep that had already died and they came along and ate up the carcasses and so on, but there is a perception now among farmers that they are actually ganging up and attacking live sheep, when indeed we were given several examples of farmers that had seen these things and I think there is a lot more work to be done in this, but I look forward to the Farmers' Week meetings, where this will again be discussed and see if there is a solution for farmers.

Thank you.

**Mr Speaker**

Does any other Member wish to make a comment or raise a question?

**The Honourable Ian Hansen**

Thank you, Mr Speaker,

Just a comment and perhaps a small question as well. I totally concur with everything that the Honourable Roger Edwards just said, and I think that perhaps it's a little bit more than a perception. I think farmers are actually seeing this on a regular basis now and I certainly know from personal experience things have changed. I would just perhaps like to get assurance from the Honourable Michael Poole that this will be treated as a sort of an urgent issue and not just a bunch of farmers complaining about something that isn't particularly right, because I think it is an important issue. It may be difficult, as the Honourable Michael Poole states, to try and get figures because what we see is happening with the birds and the animals that's fine, you can make an adjustment in Camp but there have been an awful lot of times when birds will be killing livestock, that we just don't see, so the figures may be difficult to produce.

Thank you, Mr Speaker.

**The Honourable Michael Poole**

Thank you, Mr Speaker,

I am happy to offer that reassurance that this issue is being taken seriously, it did have a good airing in the Environment Committee recently and I know it has a number of times in the past. I mean previous numbers in this area from the most recent study that I have read, which is the Breen and Brillstein's study from 2008, which was only related to Turkey Vultures, estimated that on average, that less than 10 percent of total average annual losses of livestock are attributed to bird kills. Whether that number has changed, is the question we need to answer, nobody is looking to be too onerous in terms of the science around this. What we discussed and described at Environment Committee was very much the DOA perhaps through their annual farmers' statistics forms asking the questions of landowners, and really, they can make a subjective estimate, based on their experiences, and plug those numbers in and yes, we're going to take them at face value, and if the numbers are considerably higher than we expect then, of course, we will look at potential solutions to this.

Thank you.

**Mr Speaker**

Does any other Member wish to comment?

**The Honourable Gavin Short**

Mr Speaker, Honourable Members,

There is something in what the Honourable Member said there that jogged something in my memory. The study that you are going to undertake what will be its terms of reference, will it actually go as far as looking at whether the policies that have been pursued, laudably maybe, over the last umpteen years has actually led to these Buzzards (they talk about Buzzards), actually increasing in numbers. The increasing numbers is now forcing... there may not be enough food for them compared to when they were being actively culled, and therefore this is forcing a change in their feeding patterns.

**The Honourable Michael Poole**

Thank you, Mr Speaker.

I mean that's not a conversation we had in Environment Committee. We didn't did not look to go back and reassess the original reasons for introducing these protections for the three kinds of bird species that we are talking about, we kind of accepted that at face value, and it's then about looking at a licencing regime to make sure we limit the economic impact on landowners from bird kills. So I mean, I am not sure we would necessarily want to go back and revisit that, I think it was done for good reason at the time, and it's just about in the margins of what can we do access this. Clearly, the Environment Committee commissioned a study, there are no terms of reference, it was really just asked and endorsed from the DOA to go away and do some assessment with farmers and bring us some numbers back so we can take a look at it, the Environment Committee doesn't have a budget for this work, if we want to give more focus to it or science around it then I'm happy to do that, but we just need to think about that collectively and make sure that we can assign responsibility to some people and some money to do that as well.

Thank you.

**The Honourable Gavin Short**

I thank the Honourable Member as well.

**Mr Speaker**

Any other comments? Questions?

**Clerk of the Assembly**

Question Number 11/17 by the Honourable Gavin Short

**The Honourable Gavin Short**

Mr Speaker, Honourable Members,

Happy to know that this is the last of my allowed questions for this session.

Can the Honourable Roger Edwards please say whether anything exists under Falklands or other adopted laws that may be used to protect grass verges being destroyed by vehicles. If not, does he know whether any work may be done to introduce a piece of legislation that may give powers to enable such protection please?

**The Honourable Roger Edwards**

Mr Speaker, Honourable Members.

I thank the Honourable Gavin Short for his question. There is no general prohibition against parking motor vehicles on grass verges, but you may be committing another offence.

If a motor vehicle is causing an obstruction, including obstructing the passing of pedestrians, or is a danger, then a police officer can order the motor vehicle to be removed or take steps to remove it. Failure to comply with the direction of a police officer is a criminal offence for which the owner or user of a motor vehicle may face prosecution.

If a motor vehicle has been parked on a grass verge in such a manner that damage has been caused to property, including the grass or verge area, then the person who parked the motor vehicle may have committed the offence of criminal damage and may be liable to prosecution.

If a motor vehicle is parked on a grass verge that forms part of private property, then the occupier or owner of the property can take steps to have the motor vehicle removed.

Given the lack of parking restrictions on many roads it would be hoped that motorists would park in a manner that preserves grass verges for the general benefit of the whole community.

And finally, Mr Speaker, I know not of any legislation coming forward to prevent parking on grass verges.

**The Honourable Gavin Short**

Mr Speaker, Honourable Members.

I thank the Honourable Member for his reply and it is perhaps something that I think is an awful shame. I think a lot of people in Stanley do too, but in the 35 years since the war, when everything was churned up that could be churned up, we've done a lot of work to try and reinstate these verges and make the town look great. It's the actual churning up of these verges by some people that is causing the angst, and I certainly have taken time to look in quite a lot of the English language stuff that I can find on the Internet about grass verges that seems to be something that many countries grapple with, but don't seem to have ever come to any sort of conclusion. I think it may be that we may have to write a piece of bespoke legislation at some stage for the Falklands if we are serious in trying to protect these verges.

**Mr Speaker**

Does any other Member wish to raise a supplementary question? Or comment?

**Clerk of the Assembly**

Question Number 12/17 by the Honourable Michael Poole.

**The Honourable Michael Poole**

Can the Honourable Gavin Short please update this House on recent Transport Advisory Committee discussions regarding the building of new roads to farms, and the next steps in that process?

**The Honourable Gavin Short**

Mr Speaker, Honourable Members, it will be a pleasure.

A paper was submitted to the Transport Advisory Committee on the 11<sup>th</sup> May with the following recommendations contained therein:

- (a) That we agree that Falkland Islands Government has now adopted a policy of road maintenance and are no longer constructing roads to rural locations.
- (b) We were asked to agree that any applications to be considered for roads was on an individual basis, reviewing criteria as laid out below.
- (c) Acknowledge that any approval for the construction of new rural roads will require additional funding approval, and will not be touching the 2 million pounds currently spent on rural roads at the moment. So, in other words it would be fresh money.

The criteria laid out was that the procedure for applications would be as follows:-

- Application would be submitted to Director Public Works for review
- The Director would then, assisted by the Highways Engineer, submit that report with recommendations to Transport Advisory Committee.
- The Transport Advisory Committee would review and comment on the report and that would then be submitted to ExCo for decision and/or approval

The report submitted to the Transport Advisory Committee and then to ExCo would be based on the following criteria and information:-

- Formal written submissions from the applicant
- Supporting information from other agencies for example: Policy, Education, Social Services etc.
- Review the status of the farm, for example: size, etc.
- Historical decisions and agreements relating to the farm
- Estimated cost for the construction for individual application

This paper will come to ExCo on the 28<sup>th</sup> June.

Papers are currently being prepared for the three applications that we already have received and these will go to an extraordinary Transport Advisory Committee meeting in July and then to ExCo on the 30<sup>th</sup> August. But, of course, all this hinges on ExCo agreeing with the original paper that they will be seeing at the end of this month.

### **The Honourable Michael Poole**

Thank you, Mr Speaker, Honourable Members

I thank my Honourable Colleague for that response and I am pleased to hear that this issue long discussed is moving on. As we are reminded in this House at our last sitting, there is always another phase in life and the size and shape of farms across the Falkland Islands has changed considerably over the past century, and will continue to do so over the next. We cannot realistically expect there to be no more consolidation or separation of farms, and we need a policy that is sufficiently responsive to that reality, and I think what my Honourable Colleague has described there will allow us to do that. I look forward to the discussion at

Executive Council at the end of this month to ratify that and as we will discuss later in the morning, I am pleased that during this budget cycle we can look to make provision so this issue can be moved on in a pragmatic way, which I think is all the interested landowners ask of us.

Thank you, Mr Speaker.

**Mr Speaker**

Does any other Member wish to comment?

**The Honourable Ian Hansen**

Thank you, Mr Speaker,

The Honourable Gavin Short mentioned estimated costs of new roads to new farms. Could the Honourable Member indicate if the Transport Advisory Committee would consider looking at a lower cost because, as I believe, that the cost per kilometre of an all singing dancing road is quite an eye watering figure, but some of these farms, the roads to them won't get anywhere near the amount of traffic as go on a spine road for instance, so could the Honourable Member indicate if a lower cost per kilometre would be considered?

**The Honourable Gavin Short**

Mr Speaker, Honourable Members.

I don't have the actual costs, the figure in front of me, I didn't fetch the TAC paper with me, but it is our belief that if we are going to build a road we build it properly. In the past, we have built them light, we have built them cheap, and, by golly, we are paying the costs now, even on the lesser used roads. I would urge members to find or to agree to find the money to allow us something that will be build and will last. If we are going to do this, let's do it properly.

**The Honourable Roger Edwards**

Mr Speaker, Honourable Members,

This too gave rise to quite considerable discussion during our meetings in the Camp, and it also gave rise because I stood in for the Honourable Phyl Rendell at that TAC meeting and my comments following that gave rise to comments in the Penguin News. There are three farms that are not yet connected to the spine road network, one is three kilometres, one is nine kilometres, and one is close to 14 kilometres. If I may remind the Honourable Gavin Short, the price quoted at the TAC meeting for a kilometre of road today is between fifty and sixty thousand pounds, so the fourteen kilometre road, would cost something in the order of 840 thousand pounds and, as I said at the TAC, that no doubt would cause a certain amount of tooth sucking.

So, I have made a suggestion, just an alternative idea, that perhaps rather than building a road all the way to that small farm, we actually invited the owner of that small farm to move the settlement to the road. It wasn't just a shed, I suggested that they rebuild their house their

shed, their power house, the other general sheds and the like. Let us say it cost 840 thousand pounds. If we gave them half that is 420 thousand pounds, they can have the house built, the shed built, a new generator, solar panels, wind turbines, whatever they wanted at the new site closer to the road, so Government would be saving and the farm would be at a better place. I did not suggest that they just move the shed, I suggested they move the whole thing closer to the road so that both would save. It's an idea, it's an alternative, and does, I think, consider further work in the future. So, I would just like to comment that it is a high price and we do need to look carefully at it, but there are alternatives, I believe, Mr Speaker.

**The Honourable Phyl Rendell MBE**

Thank you, Mr Speaker.

Just for those listening and the people that I know are concerned about the issue and we are trying to grow our population in the Camp, and we are encouraging young people to live there, I would just like to reassure people and we said it at the three meetings that we had on the West this weekend, that we have ring fenced some money, with a fair wind it will stay in the budget this week. We have ring fenced this money for exactly this purpose, not a large sum of money, but we have put some money in as a starter, because you have to have some funds if you have got a policy that you want to implement. So, there is money being put in the budget, it certainly won't be sufficient to cover all the requests that we have got, and that will take several years to achieve, and they all have to be addressed through the TAC and then Executive Council.

I would also say that my understanding is that we have a policy on building roads to farms, it still exists, it may have been varied to a degree, but because the Department of Public Works doesn't intend building those roads, doesn't mean to say the policy is null and void. So, Executive Council has a policy and it's for Executive Council to review that policy, when the matters come to it, so this issue will be addressed, there will be funds in the budget and we will address those applications.

Thank you, Mr Speaker.

**The Honourable Michael Summers OBE**

Mr Speaker, Honourable Members, if I could just address the issue raised by the Honourable Ian Hansen, and responded to by the Honourable Gavin Short.

The question about the standard to which the roads are to be built is important, and is a matter for Executive Council, not a matter for the Department of Public Works and whatever decision the Department of Public Works may have made in the interim is not their decision. So, the standard to which those roads are to be built and consequently the cost of the initial construction and the maintenance is a matter for Executive Council.

**The Honourable Gavin Short**

Mr Speaker, if I can go back on a few of the points, if I may please.

The aim of this paper or the paper that will be going to ExCo is to try and keep things as flexible as we can, because we know of the three applications we got, know that they are all

different and we also suspect there are going to be other applications coming, which are going to be different again, so we are trying to get something that is completely loose enough to allow, to give us the flexibility to look at each one on its merit.

I think no one is against this actually, and I think we would like to be able to do something to encourage people to live in Camp, and also the comments made by the Honourable Roger Edwards, I think we will be asking people the very questions that he has raised. Also, the Honourable Mike Summers is quite correct, we will do as we are instructed, if we are told to do nothing, nothing is what we will do, if we are told to build something for 2/6 then 2/6 it will be, but I will urge ExCo Members and everybody else to, please, if we are going to do something let's do this properly.

Thank you.

**Mr Speaker**

Does any other Member wish to comment or raise a supplementary question? No, we move on.

**Clerk of the Assembly**

Order of the Day, Bills.

The Supplementary Appropriation 2016-2017 Bill 2017.

This Bill will require a First Reading.

**The Honourable Financial Secretary**

I beg to move the First Reading of the Bill.

**The Honourable Roger Edwards**

I second the motion.

**Mr Speaker**

Thank you, the motion is the Bill be read a first time, is there any objection to that motion?

No objection, the Bill will be read a first time.

**Clerk of the Assembly**

The Supplementary Appropriation 2016-17 Bill 2017

**The Honourable Financial Secretary**

This is the first Supplementary Appropriation Bill presented in this current calendar year. Its purpose is to authorise the withdrawal of the additional sum of £1,425,835 from the

Consolidated Fund to meet supplementary expenditure approved by the Standing Finance Committee up to the 17<sup>th</sup> May 2017.

The Bill provides for additional funding for a number of departments, in particular £770,750 to fund increases in pharmaceutical and medical evacuation costs, £209,790 for additional legal aid support, and an £11,000 donation to the Falkland Islands Memorial Chapel in Pangbourne.

A full departmental breakdown is included in the Schedule to the Bill,

Mr Speaker, I beg to move that the Bill be read a second time.

**The Honourable Roger Edwards**

Mr Speaker, I second.

**Mr Speaker**

Honourable Members, the motion is that the Bill be read a second time.

Does any Honourable Member wish to speak to that motion?

**The Honourable Michael Poole**

Mr Speaker, Honourable Members.

I very much support the principles of this Bill.

I would just highlight one item within this additional expenditure which was mentioned there by the Honourable Financial Secretary in passing, that of a donation to the Falkland Islands Memorial Chapel at Pangbourne for them to purchase a new sound system for the Chapel itself.

This donation was made a few months back, on behalf of the people of the Falkland Islands in this 35<sup>th</sup> anniversary year, and it was very gratefully received by the Trustees of the Chapel.

Thank you, Mr Speaker.

**Mr Speaker**

Honourable Members, is there any objection to taking this Bill by the short procedure?

There is no objection, does any Member wish to propose any amendment to the wordings of the Bill?

There are no amendments, I declare the Bill will be read for a third time and do pass.

**Clerk of the Assembly**

The Supplementary Appropriation 2016-17 Bill 2017.

The Appropriation Bill 2017

**The Honourable Financial Secretary**

Mr Speaker, I beg to move the first reading of the Bill.

**Mr Speaker**

And to be seconded by the Honourable Roger Edwards.

The motion before the House is that this Bill be read for the first time, is there any objection to that?

There is no objection, the Bill will be read a first time.

**Clerk of the Assembly**

A Bill for an Ordinance to authorise the withdrawal from the Consolidated Fund of money for the financial year ending 30th June 2018.

**The Honourable Financial Secretary**

The purpose of the Bill before you today is to authorise the appropriation of monies from the Consolidated Fund for the next financial year.

As you have already heard from the Deputy Governor earlier, the economy continues to be strong. I would like to touch briefly on a couple of our industries. The largest of the traditional industries, the fishing sector has experienced a second challenging year, demonstrating once again the risks inherent in this industry. Following several years of ‘boom’ for squid, there is always a risk of a ‘bust’ year and that has been the case with Illex with a second year of modest catches. However, they have been better than last year and compensated by the current high market prices for Illex, the Falkland Islands Government are not expecting to have to make licence fee refunds this year.

Agriculture continues to employ the largest proportion of the workforce outside the public sector. The current high wool prices have again provided a better than anticipated return to farmers and to Falklands Land Holdings. The meat industry continues to be impacted by the global market. However, this year has seen an overall uplift in prices achieved for export meat and related exports. The Falkland Islands Meat Company are currently reviewing their operations with a view to becoming a more commercial organisation. Finding the balance between supply and demand of livestock continues to prove difficult to achieve.

As I said earlier, the economy remains strong but the challenges presented in previous years still remain today.

The Budget Strategy was re-affirmed in November, being the nine principles and supporting policies which this Assembly adopted in their first year. Budget Select Committee have spent the last four months working to meet these within this year’s budget. These principles

ensure that the Falkland Islands Government can deliver efficient and effective public services, whilst encouraging economic development, strengthening infrastructure, safeguarding sustainable pension arrangements and improving the quality of life in the Islands. This is all based on the principles of maintaining reasonable level of uncommitted reserves and not borrowing for operating purposes so that we only spend within the Government's means.

These principles and policies have been met in these Bills I present to you this morning. The appropriation of £65.9M is predominantly funded from the revenues anticipated in the year of £60.5M with the remainder coming from the reserves built up from windfalls in Illex and oil and gas exploration in recent years.

However, whilst windfalls have allowed the Government to improve services in recent years, our recurring revenue streams have only increased marginally. Therefore, whilst considering proposals during this budget, the Select Committee were conscious of the need to maintain spending at a level that does not make excessive use of reserves or increasing operating deficits to a level that is unsustainable into the long term. By limiting the deficits, Budget Select Committee were able to set a budget that is sustainable in the medium term, whilst still redirecting previous years' surpluses towards a capital programme and the operational budget.

When reviewing the Pay and Reward policy this year, Budget Select Committee were keen to recognise the hard work of FIG employees with an increase in pay, despite the cost of living actually decreasing since the previous year. Therefore, an increase in pay was proposed of 2% with a continued commitment to the incremental pay progression structure. Employment Programme rates were also increased by 1%. Grants for students studying in the UK will also increase, in line with UK inflation of 1.7%.

The Assembly continues to want to ensure that the state pension offers a basic income in retirement, therefore they have approved a 2% increase in the weekly state pension rate (and a corresponding 2% increase to FIG and FLH pensions). The five year actuarial review of the Retirement Pension Fund was completed in April, and the results, including a number of recommendations, were considered by the Budget Select Committee. After much debate, Budget Select Committee have recommended that the pension contribution increases to £15.75 for employees and employers. The Self-employed and Voluntary contribution rate for residents will increase to £31.50 with the full actuarial rate of £58.25 being paid by those making voluntary payments from overseas. The Government will continue to make the £1.5M top up payments to the Retirement Pension Fund for the period of the Medium Term Financial Plan.

Due primarily to lower fuel prices, there is no inflation at present. Therefore, I do not have that many changes in fees or charges to announce today, with these being maintained at current rates. There are a couple of exceptions to this, and these include fees that are driven by salary costs which will be increased by 2% to account for the Civil Service pay award, such as customs service fees.

The Government has also reviewed those fees which are set at cost recovery to ensure the user is paying for services received. In this review, there were a number that were identified as not contributing sufficiently towards the cost of service delivery and therefore the following increases were agreed: 10% increase in Stanley House fees, various increases to

FIG legal, registry and court services fees, septic tank cleaning will increase by 4%, government housing rents by 1%, a £1,000 increase to the banking licence, embarkation fees will rise to £25 and there has been an update to the Civil Aviation Fees to ensure cost recovery. Landing fees for Stanley will rise to £25 per passenger from 1<sup>st</sup> July 2018.

However, this year's review also highlighted that some services were collecting sufficient revenue to cover costs and therefore the following rates will be maintained at the existing level: service charges, refuse collection charges, water rates, funeral charges, postal charges, FIGAS rates and charges, non-entitled medical fees and dental fees.

In a similar vein, recognising that there's been no increase in the cost of living this year, welfare assistance, fostering, attendance, winter fuel, and family allowances were agreed to be maintained at their current rates.

The Minimum Wage was reviewed and will be increased to £6.58 an hour from 1<sup>st</sup> January 2018. This is to recognise the principle agreed two years ago to progressively close the gap between the statutory Minimum Wage and the Living Wage. The Living Wage was also reviewed and is now considered to be £7.31 per hour. The revised Minimum Wage therefore been set at 90% of the Living Wage. The Government is pleased to announce that it continues to pay all employees (including apprentices) at least the Living Wage. The pension contributions threshold will be increased from the same date to £263 a week to reflect this change.

Conscious that demand for government services continue to increase and that recurring revenues remain relatively static, Budget Select Committee undertook their annual review of tax policies. The need to raise additional revenues to reduce reliance on reserves was considered by the Committee. However, there was no appetite at this time for reducing the personal tax allowances to collect additional revenue as the Committee wished to continue to find a balance between raising revenue and improving the quality of life of individuals. As a result, no changes will be made at this time to the personal tax bands, rates or structure.

However, Budget Select Committee approved the reduction in the MST rate to 0% for employees, employers and the self-employed from 1<sup>st</sup> January 2018. It is hoped this will help to support economic growth in particular for small businesses in the Islands.

It only remains for me to thank all those who have been involved in preparing the Budget this year and to those who have kept the Treasury running whilst we've been in meetings.

Mr Speaker, Honourable Members, this concludes my presentation of the Appropriation Bill to this House and I beg to move that the Bill is read a second time.

**The Honourable Rodger Edwards**

I second the Motion

**Mr Speaker**

The motion is that the Bill be read a second time – does any Honourable Member wish to speak to the motion?

## **The Honourable Michael Poole**

Thank you, Mr Speaker, Honourable Members.

Just to set some context first. I recently looked back over old budget books from the previous decade, and as we all know and have discussed in Standing Finance Committee, we have consistently been double digit percentage figures off in our estimates annually. In eight of the last ten years we have projected a deficit and ended up in surplus. With this financial year just ending we'll be in the same situation, so it will now be 9 in 11 years when this has occurred. This has meant that reserves have built up to over 4 times our annual operating expenditure.

In my view, it is entirely correct that the Government use windfalls to build reserves to a point, there are strong political and economic for doing that, but it is not right, in my opinion, that the Government constantly extracts considerably more money from the community and economy than it needs to, to provide the services and infrastructure that it wishes to on an operating basis.

I believe that only now are we beginning to address this structural weakness which we collectively allowed to exist over recent years. This budget therefore does contain a greater degree of risk, as I believe we have been a little more optimistic, realistic perhaps, in terms of our revenue projections and that is very much a step in the right direction.

I will comment on the Finance Bill later and a couple of specific points, but I would just say that throughout the budget process your Members regularly ask ourselves how the decisions we take will impact on the lower paid in our community, in particular. I don't think this budget does massively alter that situation in my view, whilst we are adding some cost to households particularly in terms of the retirement pension contributions annually, we have allocated money to assist lower-paid families with nursery costs, hopefully it kind of offsets each other a bit. There are other inflationary increases in a number of areas that will impact people's pockets, but there are also corresponding increases in schemes such as rent rebate and pension assistance which are there to assist those on lower incomes across the islands. The minimum wage has also increased quite substantially. I personally would have aligned the minimum wage with the living wage in one year instead of over two, but I can perfectly understand the rationale for the phasing, and allowing employers time to adjust to this new quite higher figure.

I'm also pleased that, in the final budget of this Assembly, we have been able to set MST at zero. This has been a long debate and been a goal of a number of us throughout our term and this was a good time to do it, whilst the income from this tax was forecast to be a bit lower over the coming couple of years.

Again, the direct benefit to employees from that change will quite be limited due to changes we have made earlier in our term. But, whilst recognising that I think this will assist the self-employed and help out a number of small businesses across the islands and it also sends a small, a very small, but positive signal to the oil industry as they continue their difficult discussions around future exploration and the potential development of the Sea Lion field.

So, Mr Speaker I too would like to thank everybody involved in the Budget process, I think we eventually got there and it's down to a lot of hard work of Treasury and across government departments. Thank you very much for that.

I support the motion.

**Mr Speaker**

Any other Member wish to speak?

**The Honourable Mike Summers OBE**

Mr Speaker, Honourable Members.

As my Honourable Colleague has noted, this is to a significant extent a status quo budget, and there is a limited amount of fiddling that any government can do with the Government budget at any one time without substantially changing the basis on which you go about setting the budget, and we have in the term of this Assembly set out some clear policy directions for setting the budget and happily we have stuck to them, and I think that's an important issue. Income level is always an important point and the windfalls that have arrived in previous years have largely been the result of understating likely levels of income, and I know there is always a tendency from those producing figures to try to be prudent and not to make projections that in the end are not sustainable, but we have underestimated income consistently in the past to quite a substantial level, and having readjusted that in this budget gives us a little more scope for some expenditure.

There are some areas of particular interest obviously for people, the 2% increase to Government wages I think is welcomed and I hope that that can be largely replicated in the private sector, but that obviously is a matter for the individual employers, so, whilst there are always cost pressures from budgets, there are opportunities to increase people's income through wage increases. I am delighted that MST has been set to zero, I thought it was a bad idea when it was introduced, I still think it is a bad idea now and I am happy to see it effectively gone.

There's one area that still causes me considerable concern, and I am not sure we have taken all the measures that are necessary to address the issue of pensions fund funding. There is in all likelihood enough funding in the pot for the Old Scheme Fund that is of relatively limited application and that's fine. The Retirement Pension fund is not fully funded to a significant extent, and I think we would be in much more comfortable position if it were. The RPC increases that have been announced will put pressure particularly on the self-employed and we will perhaps have some further discussion, as we go into the final sessions of Budget Select Committee, how fair it is on the unemployed for them to be effectively still paying double. The Government is still making a very substantial subsidy to the cost of providing people's pensions, we have looked at some of the percentages in the last few days and at the moment the Government is subsidising the cost of providing people's pensions to the extent of about 50%. That probably needs to be reduced. I have suggested to colleagues, just looking at the figures we could probably reduce the subsidy to like 30% or even 25% over time, but that will come over time, that inevitably means that the RPC payable by employers and employees will rise, so that is quite a pressure. There are other ways that you can ease the pressure on pension funds by raising the age of retirement and other things and I honestly think a long, and I think quite in-depth, discussion needs to take place on the report of the Government Actuaries on the Pension Fund, not only in the balance of this Assembly, but in the next Assembly too. We may be lucky, maybe windfalls from hydrocarbons that can be put in to the Retirement Pension fund to bring it up to the sort of level required, but I'm not

sure that we should rely on that sort of good fortune. I think we have to plan for the status quo, so I think a lot of work continues to be necessary on the issue of funding pensions for the long-term future.

One final comment on landing fees, the increase in landing fees looks substantial, but in fact it has a very real purpose and that is to ensure that all cruise vessel passengers landing in Stanley are able to visit the Museum free of charge. The Museum are very happy about this arrangement and I think it will be a very positive benefit for the Falkland Islands in ensuring that all cruise vessel passengers coming to the Falklands have an incentive and an opportunity to look at the Museum and to understand the Falklands better. The landing fee also pays for the cost of security for cruise vessels and for the cost involved in the immigration services so it's important that that increase is properly presented to the tourism industry, so that they understand its real purpose.

Mr Speaker, I support the motion.

### **Mr Speaker**

Any other Member wish to speak?

The Motion is that the Bill be read a second time, any objection to the Motion? There is no objection, the Bill will be read a second time.

### **Clerk of the Assembly**

The Appropriation Bill 2017 is a Bill for an Ordinance to authorise the withdrawal from the Consolidated Fund of money for the financial year ending 30<sup>th</sup> June 2018.

### **The Honourable Financial Secretary**

I beg to move that the Bill and the Draft Estimates be referred to the Select Committee on the Estimates.

### **Mr Speaker**

The Motion is that the Bill and the Draft Estimates be referred to the Select Committee on the Estimates, is any objection to the Motion?

No objection, the Bill is now referred to the Select Committee on the Estimates.

### **Clerk of the Assembly**

The Capital Appropriation Bill 2017

### **The Honourable Financial Secretary**

I beg to move that the Bill be read for the first time.

### **The Honourable Roger Edwards**

I second the motion.

## **Mr Speaker**

Is there any objection to that motion? There is no objection, the Bill will be read a first time.

## **Clerk of the Assembly**

The Capital Appropriation Bill 2017 is a Bill to authorise the withdrawal from the Capital Equalisation Fund of money for capital projects.

## **The Honourable Financial Secretary**

Mr Speaker, Honourable Members.

The purpose of the Bill put before you today is to authorise the appropriation of monies from the Capital Equalisation Fund for the next financial year.

The Bill requests approval of £15.9M from the Capital Equalisation Fund.

This appropriation only represents a small amount of the capital programme with the total five year programme amounting to a net £61M or £80M including this current year's programme. In order to ensure the Fund has a level of reserves to support these investments, an additional transfer of £4M per annum for the period of the Medium Term Financial Plan has been agreed by Budget Select Committee to bolster the fund, though Budget Select Committee recognised that additional funding will be needed from the Consolidated Fund to fund the full programme.

The schedule contains a breakdown down by category, but it is worth considering a few of the highlights from the programme. Over the next five years the following investments will be made: £47.9M in Infrastructure and Maintenance, within which there is £21.3M for roads, including £6M for the MPA road and £2.5M to continue the Government's maintenance programme, there is £17.8M for Health and Social Care, including £10M for the Vulnerable People's Unit and £5.2M for improvements at KEMH, £15.3m for economic development related projects and £2.7M for the provision of new sports facilities and the Training Centre.

The programme also includes an additional £1.6M for further work to be completed on a number of future capital projects, in recognition that more detail is needed on them before they can be fully approved and added to the main programme. These projects include new deep water port facilities, improvements to the Air Terminal at MPA and a replacement power station.

Mr Speaker, Honourable Members, after the Bill has been referred to the Select Committee, I will provide more details of the schemes contained in the Capital Programme. However, at present this concludes my presentation of the Capital Appropriation Bill to this House and I beg to move that the Bill be read a second time.

## **The Honourable Rodger Edwards**

I second the Motion

## **Mr Speaker**

Does any Member wish to speak to that Motion?

## **The Honourable Gavin Short**

Mr Speaker, Honourable Members, this is probably the part of the budget where the department I represent has greatest input.

I will actually keep my powder pretty well dry until after we have had our Budget Select Committee, because after, as happened last year, things can change and change right at the last minute.

All I will say though is that the Capital Budget really does do a lot to drive our economy to keep everything, wrapped up and in orderly file, I believe this capital budget, probably more than any other that I have been involved in, actually excites me about the future, and it's not often I can say that at my age, but I really do think that when this budget is laid out and, after we come back, people will see that this is quite an ambitious budget, it is something we can deliver and it is something that is going to drive our country forward,

Thank you very much.

## **Mr Speaker**

Does any other Member wish to speak?

## **The Honourable Phyl Rendell MBE**

Thank you, Mr Speaker,

I, too, would like to comment on the scale of the Capital Budget going forward; I really welcome the work of colleagues through this Budget process this is the area that I think makes a difference. Constituents comment, they see that the activities of the offshore oil industry, there's certain amounts of pressures on the community when other things don't get done, and people are drawn away to support the oil industry, and pressure is on Stanley and so forth.

I think people want some payback, they want to see some investment in quality of life and in growth for our traditional industries from the windfalls, from offshore and from Corporation tax etc, and I think we are addressing that in this final budget of this Assembly. I am grateful for colleagues for working well on this together, and will be able to announce more details, as you say, on Friday, and I support actually the Honourable Gavin Short's view - I am quite excited about this too, and I think we have a lot here to offer, and I am particularly pleased that we are addressing the deep-water port issue. We don't have funds set aside specifically for financing that, but it is on the agenda. We have made sure that we are going to have the funds to project manage this huge issue we have to address, and I think at least at the end of this Assembly we will put that on the road to some sort of final conclusion.

Thank you, Mr Speaker.

## **The Honourable Michael Poole**

Thank you, Mr Speaker, Honourable Members.

Similar to the Appropriation Bill previously, I personally don't think there's a need for substantial amendment to these bills over the coming days, clearly that's a decision for us all to make, but I would just note a couple of things. As has been described, this is very much an ambitious capital programme. I am pleased that it makes generous allocations to the new Vulnerable Peoples Home and looks to have that project complete by 2019 if all goes to plan. This has taken some time, but as I said in this House recently, it will be a significant step forward for the Islands social provision.

I am also pleased that, finally, we have made full and proper funding available for a new sporting facility. I've personally been somewhat distant from the policy conversation on this due to my conflict of interest with the football club, but I am delighted to see it move on. Now that funding is in place, I'm sure colleagues and I will undoubtedly be chasing the Honourable Chief Executive about implementation over the coming months.

I am also happy to see a continuation of the investment in the tarmacking of the MPA road. Step-by-step we shall get there and, whilst as it stands, there is an allocation for the next 5 years, the one thing I will be encouraging colleagues to consider over the next day or so, is re-phasing that existing allocation, and potentially looking at getting more done in a shorter period of time. Clearly that will be driven by practicality and the capacity at the quarry and within the road gang, but from an answer we had in the House recently, I believe that is all possible if the money is there, so I think that warrants a conversation over the next 24 hours or so. As has been mentioned, whilst we have not made full funding allocations for either a new port development or a new air terminal, I am content that we are slowly progressing these projects. Both are important, both economically and socially, and we need to see meaningful progress on them within the next 12 months. Allocating substantial money for both design and project management for these two projects is an important step, and I believe that there is a broad consensus on both projects now.

Privatisation of management of the air terminal, followed by substantial capital investment in the infrastructure is what is called for, and is what Executive Council has agreed in principal. I look forward to that moving on, though clearly it is not going to solve our problems at the air terminal this season or even next season, it will take some time and I just ask for patience from all parties involved as that process moves through.

I am also pleased to see a capital allocation to improve the infrastructure and management of the Gypsy Cove area. There are clearly planning issues still to deal within that respect and they are far from a certainty, but I think the principle of a café and toilet block and better facilities there makes a lot of sense to me.

Thank you, Mr Speaker, I support the motion.

## **Mr Speaker**

Any other Member wish to speak?

The Motion before the House is that this Bill be read a second time, is there any objection to that Motion?

There is no objection; the Bill will be read a Second time

**Clerk of the Assembly**

The Capital Appropriation Bill is a Bill for an Ordinance to authorise the withdrawal from the Capital Equalisation Fund of money for capital projects.

**The Honourable Financial Secretary**

I beg to move that the Bill be referred the Select Committee on the Estimates

**Mr Speaker**

The Motion is that the Bill be referred to the Select Committee on the Estimates, is there any objection to the Motion?

There is no objection, the Bill will be referred to a Select Committee on the Estimates

**Clerk of the Assembly**

Finance Bill 2017

**The Honourable Financial Secretary**

I beg to move the first reading of the Bill.

**The Honourable Roger Edwards**

I second the Motion

**Mr Speaker**

The Motion is that the Bill be read a first time, any objection to the Motion?

There is no objection, the Bill will be read a first time

**Clerk of the Assembly**

The Finance Bill is a Bill for an Ordinance to increase various allowances, benefits, charges, contributions, fees, and penalties provided for under the laws of the Falkland Islands and to make new provision for certain new charges.

**The Honourable Financial Secretary**

Mr Speaker, Honourable Members,

The purpose of this Bill is to give effect to the changes in various allowances, charges, fees and penalties provided for under the laws of the Falkland Islands. It also makes new provisions in relation to certain fees and charges. These changes relate to the proposals in my budget and can be summarised as follows:

- Clause 3 amends the Air Navigation fees
- Clause 4 increases the banking licence fee
- Clause 5 increases the British Nationality application fees in line with the on-charge from the UK;
- Clause 6 introduces new filing fees for Public Company's
- Clause 7 increases landing fees for Stanley
- Clause 8 increases customs service fees
- Clause 9 increases embarkation fee for a passenger leaving the Falklands Islands
- Clause 10 decreases land charge fees
- Clause 11 reduces the Medical Services Tax to zero % for employees, employers and the self-employed
- Clause 12 increase the amount payable to Members
- Clause 13 increases the Minimum Wage
- Clause 14 increases charges for the registration of civil partnerships
- Clause 15 increases charges for the registration of marriages
- Clause 16 increases the charges for the registration of patents
- Clause 17 increases the weekly rate of pensions and voluntary contributions;

All the aforementioned increases take effect from the 1<sup>st</sup> July 2017 apart from Clauses 4, 11, 13, and 17 relating to banking licence, Minimum Wage, pension threshold and taxation, which take effect from the 1<sup>st</sup> January 2018. Clause 7 relating to amendments under the Cruise Ships Ordinance for landing fees will take effect on the 1<sup>st</sup> July 2018. Clause 12 will take effect in November 2017 following the election of Members to the new Assembly.

The 'Objects and Reasons' section of the Bill seeks to explain the increases and shows the old and new figures for ease of comparison.

I believe that covers all the changes to legislation required for the items that were included in my budget presentation.

I would like to express my gratitude to the Law and Regulation Directorate for the advice, assistance and drafting skills in preparing this Bill. Once again it is a long and complex piece of legislation.

Mr Speaker, I beg to move that the Bill be read a second time.

**The Honourable Roger Edwards**

I second the Motion

**Mr Speaker**

Does any Honourable Member wish to speak to the Motion?

No, The Motion is that the Bill be read a second time, is there any objection to the Motion?  
There is no objection. The Bill will be read a second time.

**Clerk of the Assembly**

The Finance Bill 2017 is a Bill for an Ordinance to increase various allowances, benefits, charges, contributions, fees, and penalties provided for under the laws of the Falkland Islands and to make new provision for certain new charges.

**The Honourable Financial Secretary**

Mr Speaker, I beg to move that the Bill be referred to the Select Committee on the Estimates.

**Mr Speaker**

Honourable Members, the Motion is that the Bill be referred to the Select Committee on the Estimates, any objection to the Motion?

There is no objection; the Bill is now referred to the Select Committee on the Estimates.

And that concludes our business for this morning. The Legislative Assembly is now in Recess until 9:45 on Friday the 2<sup>nd</sup> of June 2017.

**Friday 2<sup>nd</sup> June 2017**

**Mr Speaker**

Honourable Members,

I bid you Good Morning, and the Assembly resumes. One small change to your Order Paper if you are agreeable to it. We will take the Customs resolution after the Finance Bill. That keeps all the Finance papers together in one.

**Deputy Clerk of the Assembly**

The Appropriation Bill 2017 the remaining stages.

**Mr Speaker**

I invite the Honourable Financial Secretary to report on the proceedings of the Select Committee on the Estimates and this Bill.

**The Honourable Financial Secretary**

Mr Speaker, Honourable Members,

In this report I will cover the discussions of the Budget Select Committee this week and also give a very brief overview of the resulting budget. The Budget Select Committee reviewed the Appropriation Bill, Capital Appropriation Bill and the Finance Bill.

During this meeting, the Budget Select Committee reaffirmed the proceedings of the Committee of the last four months. Following further discussions and considerations by Members there are a number of amendments to the Appropriation Bill, the Capital Appropriation Bill and Finance Bill to be presented to the House this morning. However, I can confirm that the budget strategy principles continue to be met.

Members reconsidered the Oil and Gas Budget and have realigned the revenue and expenditure to better reflect the expected programme of work required to ensure that FIG is prepared for when a sanction decision is made for the Sea Lion project, this has resulted in a reduction in expenditure for the next financial year of £750,000.

The second item to be considered by Members was the transfer of an annual amount of £4 million into the Capital Equalisation Fund, for the period of the MTFP. On reflection, Members felt it was more prudent to leave these funds within the Consolidated Fund at this stage, pending the completion later this year of a strategic review of the Capital Projects Funding, under wider review of Capital Accounting arrangements.

The final items for amendment are reported when we read the Finance Bill, the recommendations were for increases to registration fees in connection with Civil Partnerships, Marriages and Patents. Members felt that the recommendation for the increases required some more work and therefore have agreed not to increase these fees at this time. On

reconsidering the Capital programme, Members have also included an additional £750,000 within the Medium Term Financial Plan for kerbing and roadworks at Teaberry Way.

On Tuesday, I provided the main details for funding and supporting revenue measures within the budget, however there are some areas that might benefit from expanding on, and I will now explain these further.

The public service delivered a “crucial to the islands way of life”, and this year £11.1 Million has been allocated to Health, £7 million to Education, £10.1 million to Public Works, £7 million to Natural Resources and £24.4 million to the remaining Government Departments.

The Budget Strategy this year once again sought to effectively manage the wage bill of FIG through only allowing crucial posts of those that which generate additional revenue for the Islands. This year, 22.5 new posts have been agreed, all posts to strengthen programme delivery and procurement, the posts supporting the economic development, these posts are for a fixed term of two years: a Project Manager to support the on-going work on a joint collaborative programme between FIG and the MOD, this post will be jointly funded. A new position of Telecommunications Regulator has been established along with three posts within HR, one being for a fixed 12 month contract. There will also be an additional Prison Officer, four new posts for Health and Social Services, two posts within the Education Department, two posts within Central Services, and a part time post re-instated within Environmental Planning, and one each for Natural Resources and Public Works. Six of these posts are either partly or fully funded from external financial support or self-funded from additional income. It is anticipated that around half of these posts at least will be appointed locally. The total wage bill 2017-18 for FIG will represent 48% of the total Departmental budget, compared to the 47% in the previous financial year.

There is one area of revenue that was not mentioned on Tuesday and that is Customs Duties. Effective midnight tonight, Alcohol Duty will increase by 3%, and Tobacco Duty by 5%. The Select Committee reviewed the price for Electricity, over the past 12 months everyone has benefited from the low fuel prices, and the price of a unit of Electricity has been maintained at 18 pence per unit since March 2016, however in recent months, Fuel prices have increased, this now needs to be reflected in the price of unit of Electricity and as of Saturday the 3<sup>rd</sup> of June, the price of a unit will rise by one pence, from 18pence to 19pence per unit. I can also confirm that FIGAS fares and charges for residents will not rise, however fares and charges for tourists will rise by 10% from the 1<sup>st</sup> July 2018.

Investment in economic development has been strengthened over the Medium Term Financial Plan in support of the key island priorities. The next year this includes £1.3 Million for shipping links, £1 million for FIDC, including economic development loans and funding for the Rural Development Strategy, £600,000 for the Falkland Islands Tourist Board and the Tourist Development Strategy, £450,000 for FIMCO, £185,000 for the Museum and National Trust, and continued support for SAERI, in addition the capital programme contains £3.8 million of funding for economic development projects.

The on-going commitment to ensure that there is a strong and viable infrastructure continues within this budget, which will again see some significant investments. The Capital programme for next year for infrastructure and maintenance is £10 million with a five year programme of £47.9 million. The break down remains as proposed on Tuesday with the addition of £750,000 in 2018/19 for works at Teaberry Way, which I mentioned earlier.

Some of the key schemes are as follows

£22.5 million for roads, including £2 million each year for existing Camp roads and £1.2 million a year to continue black topping the MPA road. £500 thousand for new Camp roads, £2.8 million for the next loop of the Diamond Jubilee Road and £2.5 million repairs to the By-Pass.

£1 Million to further develop the design and business case for the new Power Station, £240,000 towards the advancement of the Air Terminal project. £400,000 towards the work necessary to bring forward a new Port Facility, £10 million for the building of the Vulnerable persons unit, £5.2 million for the insulation of a CAT scan, and upgrades to the theatres at KEMH. £1.7 million for the new sports facilities, £2.5 million for housing construction, £5 million for Government plant and vehicles, £1 million a year for by-pass improvements, and £1 million pounds for a new training centre.

In summary, the budget agreed by the Budget Select Committee meets the budget strategy and the principles set out within it. It ensures a sustainable budget that provides access to a wide range of public services and ongoing financial security for the community whilst investing towards Island Plan priorities.

Once again, I would like to thank everyone involved in the budget process this year.

Mr Speaker, Honourable Members, that concludes my report of the proceedings on the Select Committee on the 2017-18 budget.

**The Honourable Roger Edwards**

Mr Speaker, I move that the report be accepted.

**Mr Speaker**

Thank you, and a seconder?

**The Honourable Michael Summers OBE**

I second the motion.

**Mr Speaker**

Does any Member wish to speak to that report?

**The Honourable Phyl Rendell MBE**

Thank you Mr Speaker,

I'd just like to say a few words in support of what the Financial Secretary reported in detail, and that I do support the drawing down of the £61 million pounds for operating the Government departments, and also to continue the insurance that we have reliable services for our residents, but the budget also does include funding for a number of improvements to those services, particularly in the hospital. We do see funding coming into the budget for

assistance with nursery care provision. I was supportive of the 2% pay award for the Falkland Island Government, and I am pleased we were able to do that, and I am also supportive of a continuation of a reward for those who offer good service within the Government. It was a couple of additional projects, they seem small, but they are quite important to my department, to my portfolio: Natural Resources, and those concerned with presenting those projects will be pleased to hear that firstly the project to address the spread of Calafate was supported by this Assembly over three years, it is a danger to fine wool production going forward, I am grateful for the support for funding that project. It does come with some strings attached, and we will need to look at legislation to regulate the importation of *berberis* in the future, but it certainly is an example, the spread of Calafate, of climate change, and how it has just broken out, and perhaps Mr Trump would like to take note that climate change is a real issue here in the Falklands.

There is also funding for a Hydatid study, on Hydatid disease, even though Hydatid disease is at a very low level in the Falkland islands, we haven't eradicated it after many years of dosing dogs and managing offal. I think that is a welcome funding to try and get, to the bottom of this issue, and see if we can finally, in such a small farming community, eradicate that disease completely. The farming improvement programme is included in this budget, I'm pleased to say, and also the Financial Secretary touched on a number of areas that are funded under the Islands Plan programme. I am always supportive of the Islands Plan programme, because I believe that it is the Islands Plan programme that does help to drive the economy and help many of our areas to expand and enable businesses to thrive, including FIMCO. Support for FIMCO, coastal shipping, the external shipping link, of course FIDC which has a budget for the Rural Development Strategy going forward, the Tourist Board, the Museum and National Trust and SAERI, I support all those initiatives.

With a fair wind, I think the next Assembly should start to see an increase from those investments into our economy. I'm quite confident of that, and it's really important that we do invest in our industries, with oil production some way off possibly, we do need to support and enable those industries to grow, and I believe that investment has an indirect and a direct effect on them, and I'm confident that those industries will carry the country forward and will enable the next Assembly to support extended and enhanced services, and also a further development plan.

Mr Speaker, I support the Appropriation Bill.

**Mr Speaker**

Does any other Member wish to speak to that report?

**The Honourable Michael Summers OBE**

Mr Speaker, Honourable Members,

Just a couple of points dealing with both the revenue budget and the capital budget at the same time.

I thinking it's appropriate that the Assembly should have reached an essentially balanced budget. The level of revenue that we extract from the various industries, as well as from the general public, is sufficient to fund the services provided by the Government and that's a

happy state of affairs. It can't always be like that, of course, and as my Honourable Colleague says, we have to invest for the future to increase revenue, but I think we are well on the right track for that and I generally satisfied with the revenue budget. I think it demonstrates both a progressive and a confident Government, and one that is in a very strong position.

I would like to make a couple of points about capital expenditure because we do have a quite a large capital programme going forward. The work obviously has largely been done and long discussed on the Vulnerable Persons facility, but I would just like to thank everybody for supporting that and pay tribute to those people who brought it to the position that it is. We're now in a position to be able to commission detailed design works for it, and hopefully, by the backend of the year we'll start see some work on site for that, and it is due for completion in 2019, so I think that's a real contribution.

There have been announcements of other works for development in the hospital, or in the Medical Services I should say: £5.2 million to do some additional development work, one is the introduction of a CAT scanner. People have been asking for years why we don't have a CAT scanner here and it is because the technology couldn't have been supported here, but there have been a lot of technological developments in this area and we can now support a CAT scanner. It does require a bit of work in the hospital to move some things around to make that investment, but that will be really valuable, not only for the doctors who in their diagnosis have become quite used to having CAT scanners available to them, and some people indeed won't do the work unless they have CAT scans available. We can save ourselves a very considerable amount of money from sending people overseas for a week or longer just for a CAT scan, so that is expected to pay for itself in a very short period of time.

The other piece of work that's been brought forward is the development to the operating theatre areas. The operating theatres are functional, but they are not ideal. More work needs to be done to enable our visiting specialists in particular to perform more of their work here rather than referring people overseas for procedures all the time. So, if our visiting specialists can do more procedures here that should save us more money, and more importantly it will save the patients themselves the time from having to go overseas for that, so it is quite a large amount of money. It does involve moving quite a few things around in the hospital to be able to do it all, so it's not all directly theatre related, but I am delighted that we're able to keep developing the facilities available for treatment here in the Falklands. I would like to pay special tribute if I may to the work of Ron Rothwell in doing all of this. He's worked away quietly in the background with the consultants we had from EC Harris to develop a plan for moving the hospital estate forward, and for continuous improvement of the services we are able to provide. So very many thanks to Ron for all of that, and one or two other things just to mention in terms of the Medical Service, not particularly capital related, but the project to accredit the laboratory so it can do the necessary tests to support EC certification is very nearly finished, and I would like to pay tribute to the work of Kimberly Finlayson in doing that, and thank her very much for bringing all of that forward. None of this happens in isolation, and I think the management team in the hospital has done a fabulous job in the last two or three years to bring forward these important projects, and that includes the Directors, Ian Bainbridge followed by Derek Muhl. Mandy and Rachel most particularly in developing the Vulnerable Persons project and Becky Edwards in managing the clinical side of the hospital to be able to achieve all of these things.

I will mention Social Services I think later in my closing remarks at the end of this session, but they too have done some good work. And the other point, I'm delighted we've grasped the nettle and we will surface Teaberry Way. I'm a bit embarrassed actually that we didn't do it when we first built it, I think it was a mistake, it's a mistake that's been rectified and I hope that work can be done quite expeditiously, and of course, I'm delighted that we are putting funds into developing a sports facility on the rugby pitch. I think that will be not only an exciting time for sport and sport development in the Falklands, but also make a major contribution to the development of the health and wellbeing of both our young people and other people who engage in sport and exercise.

Thank you, Mr Speaker.

### **Mr Speaker**

Does any other Member wish to speak?

### **The Honourable Jan Cheek**

Mr Speaker, Honourable Members,

I, too, welcome those capital projects, and as important as any financial saving created by something like a CAT scanner, the fact that people will get speedier diagnosis of serious illness and injuries is an intangible and hard to quantify benefit, but terribly important to people.

Talking about capital, I would like to make it clear that healthy capital programme is not at odds with having healthy reserves, as long as both are clearly defined. Much of our past difficulty with capital programmes stemmed from rough initial costings, which when a project cost more, meant it was deemed to be "over-budget", although in fact there would never have been a proper budget. So, I am glad we are taking a more systematic approach now. Such work also need dedicated oversight, and the resources required were not always in place, but we hope in the future that they will be. So, I whole heartedly support the current programme on the basis that it will properly staffed so that it can be properly carried out. I will leave it there for now.

Thank you, Mr Speaker.

### **The Honourable Michael Poole**

Thank you Mr Speaker, Honourable Members,

Having spoken at length earlier in the week about my broad views on the budget, I won't repeat those here, but just make a couple of specific points in relation to my portfolio areas. Firstly, I absolutely echo the comments of Honourable Phil Rendell in the terms of the allocation for Calafate control, and also the increased emphasis on bio security in management of invasive species generally, which is a key risk within our bio diversity frame work, and I think it's good that we are allocating some money and resource towards that.

In relation to the environment, I'm also pleased that the Government has taken this decision to allocate half a million pounds in 2017/18 for waste management initiatives. These are still

being defined by a working group that's looking at this issue, and I would encourage households to engage with the waste survey that's currently about to be undertaken, but I think with that money there, finance shouldn't be a major constraint to implementing initiatives, and this time next year, I think I can confidently say that households will be able to separate their waste and be confident that it's going to an appropriate place and being managed in a more environmentally friendly way than it is currently with landfill. So thanks to all involved with that, particularly to the Waste Management Co-ordinator who has helped move things on a bit.

I would also comment that I am fully supportive of the £250,000 that's being allocated within the capital programme for the development of the new Museum building up the back of town, so this will be transferred to The Museum and National trust at the appropriate time. We have also allocated within the operating budget £6 of each tourist landing fee which will now be paid to the Museum and National Trust. This was a concept that was proposed in outline by the Honourable Mike Summers. Members were fully supportive of that approach, I think it's a positive step for the Museum and will ultimately help grow their income and also give them a direct link into the growth of the tourism sector which I think is a positive message for them. So thanks again to all involved with that, and to Mike for bringing the concept up.

Finally, whilst it is a relatively small part of the budget, I would comment on the remunerations of MLAs in the next government. The pay for MLAs will increase to £45,000 per year from November onwards. We were asked on the West over the weekend whether we feel that the current system of full time remunerated Members works. I think personally we need to look at this in a stage manner, we need to ask ourselves first: "do we need full time Members for the Falkland Islands?" My personal view on that is absolutely "yes, we do". I think that the Government here warrants it, and I think generally it has worked pretty well over the last four years, from my perspective. The second question is then: "how do you devise a system that is sufficiently flexible to allow for a wide range of people to consider standing?" I think with some tweaks that we have made in Executive Council recently we've got a pretty flexible system, but that's not to say that it will suit all circumstances. Clearly individuals and their families and their circumstances will need to consider whether they can realistically stand for election. I think, ultimately, we are not going to make it available to everybody. Some people will have fulltime jobs and farms to run that just mean they can't realistically consider standing for the Assembly, but I think at the moment the system works quite well and, obviously, we'll continue to monitor it and flex it as we need to in the future.

Thank you, Mr Speaker.

**Mr Speaker**

Does any other Member wish to speak?

**The Honourable Ian Hansen**

Thank you Mr Speaker, Honourable Members,

I just have a few brief comments on to make, in particular, on the capital programme. As I think previous speakers have mentioned, it is a pretty ambitious programme, but never the less, I think it's achievable. We certainly hope so, and of course, part of this programme is

going to be spread over several years, and there's some pretty big issues to be addressed. In particular, the Vulnerable Persons unit, the air terminal and the power station just to mention three, but they're all extremely important to the Islands and the future of our economy and to social life. I'm particularly pleased to see in the capital programme we put £500,000 in to roads to new farms. Obviously it won't be enough to achieve roads to all those farms, which I would very much like to see, but it is a beginning, and at least we have committed that to start off. As usual, of course, we have to, and we will have to continue to subsidise FIGAS and the ferry service, but they are two services that are absolutely essential to the islands and to cut the subsidies, or even think about doing it would be a huge mistake. I have to say, of course, there has never been any question of doing that, but it's something I think we have to recognise that not just in the next Assembly, but the one after that, that these will always have to be subsidised. I'm also pleased to see we put a sum of money in the budget to continue to improve the FM radio service. This is an ongoing saga, but at least we are committed to continue to try and make sure that's everybody gets the best service that we can provide, and it's just a shame it's taken so long.

The Honourable Michael Poole mentioned Members' remuneration, and I was going to mention that as well. It's not just for people in Camp, it's not just for farmers, it's for all people who have run their own business, whether it's here in Stanley or in Camp, or wherever, and the level of remuneration I guess is a debatable point. From my own point of view, I was happy to have it remain as it was, but again that was just a personal opinion and I can actually see the argument for increasing it to encourage more people, younger people, and people with businesses to stand, and I guess that will be proved whether it's right or not with this next general election.

Thank you, Mr Speaker.

### **Mr Speaker**

Any other Member wish to speak?

### **The Honourable Gavin Short**

Mr Speaker, Honourable Members,

I was going to hold off until the Bills, the proper place in the Bills as they came along, but as it looks like everyone has shot in, I think I might as well do the same - why break a habit of a life time.

Just some quick comments about the budget really. I sort of got chided last year for saying it was a boring budget, but I did mean it in a nice way, really. This year is no exception, as on the surface it's very much a "steady as she goes" sort of budget, however embedded in this budget amongst the new posts are a few which are aimed very much at highlighting, or sorry, at lighting the fire under economic development in the Falklands. I have said before that the Falklands is going along quite nicely, but we cannot become complacent, otherwise happiness can quickly turn into something not so nice, and having lived in the Falklands many years ago when it was on the skids, I really don't want to have to see another Falkland Islander going through those sorts of days. I will, though, be returning to this point in the Motion for Adjournment as a couple of other these posts are time-limited and I do wonder what happens after that.

Of increases, of course, we see 1% increase in housing rents within Government. I am still struggling to understand quite how we bunged 1% on, because at the meeting I was sitting at there was no evidence at all given that an increase was needed, and if it was perhaps just to stop such big increases in the future, then perhaps we should have really been applying it towards all charges across Government.

As much as any increase in anything is unwelcome, some are perhaps understandable. What we pay towards OAP is increasing. What you and I pay now goes nowhere near keeping the fund topped up to a realistic level, and if there were no increases in what we pay, then the fund would eventually run out. Government, of course, does put in a large sum each year into the funds on top of what we do, but I'm afraid that if we want to have OAP we are going to have to pay for it. I was sort of mulling it over last night, really Pension funds are something like computers, if you put nothing in, then nothing comes out.

Perhaps the best increase is the 2% pay increase for our work force, and I would like to say here that please note that this is not a cost of living award. Cost of living covers inflation and as inflation at the moment sits at around zero if we were going down that road then there wouldn't have been an award.

I also see the old arguments raging about whether it should have been expressed in percentage terms or in pounds. The effect, of course, of bunging everyone fifty quid is that it erodes the differentials between the different pay bands. It's fine to do that if you realise what the consequences are, and it is an argument that has raging, even back in the dark ages when I was Chair of the General Employees Union, and I am sure will still be raging when I am pushing up the daisies somewhere.

If I can turn to the capital budget if I may, Honourable Members have already spoken on this covering their areas of interest. I have actually been around for a few Capital Budgets now, but I'd say this is probably one of the most exciting and ambitious that I've seen. The capital budget, of course, plays a large part in fuelling economic activity here in the Falklands, and this one is no exception. There are probably not that many projects that do not involve PWD in some way, and this list is very much trying to stick to these projects which PWD has an input, and I will try not to encroach on the territory of my Colleagues.

I guess I would like to start with the dear old Public Jetty. There is an amount of money included for next year that will allow for a berthing face and the accoutrements needed for mooring to be affixed on the North and West faces of the structure. This will be the end of the matter unless and until a policy decision is made to extend it or do something else.

As well as the usual amounts that are always allocated for roads, both Stanley and Camp, there is also the inclusion of an amount to allow the phased resurfacing of the Airport Road to commence in this coming year.

Projects for the following financial year, that's the 2018/19 year, we see increased funding there for the repair of Stanley roads. This is long overdue as we are slowly going backwards. It was decided to defer the start of the accelerated repair programme until the following financial year as this will allow works on the front road to come towards an end so that we don't try and spread ourselves too thinly and start failing to deliver, which is always a danger if you do that.

There is amount included for the construction of housing. After the accelerated programme of the last few years we will be dropping back to the pre-oil levels of construction which it is hoped will keep pace with housing needs.

One project which has unfortunately disappeared or at least the funding has, is for the next lot of mobile home plots. As we are still working through possible locations and the costs involved, it was decided to remove the funding that was already in the budget. The new approach will be to carry out another housing needs survey which will better inform what might be needed in the future. It could be that we might move away from mobile homes to perhaps smaller plots more suited to either permanent smaller dwellings or even park homes, and it could be that the plot sizes are re-jigged in the next phase of Sapper Hill, (for I am sure that there is going to be a next phase), so that smaller dwellings can be incorporated, or it could be decided that they should have their own dedicated site. I am told that plots on Murray Heights are still being handed back and re-issued which may mean that the requirement might be easing a bit, but to people who were pinning their hopes on a plot on a new site, I can only apologise. If I am around, I shall be keeping a beady eye on the housing needs survey to make sure that it gets up and running with the greatest of speed, and doesn't just get put on the back burner.

Happier news is that a sum of money has been included for the projected budget for the 2018/19 financial year for the curbing and resurfacing of Teaberry Way and the associated side roads, and I fully concur with the comments that have already been made by the Honourable Mike Summers on this. I'm afraid the project when we did it was a bit full steam ahead, and we had an urgent need for FIMCO housing and, of course, it was one of those projects that didn't get done properly. However, I know that folk will be happy when this work is done, as having lived up there I know the amount of dust that you experience during the summer months is quite horrendous, and when the rainy season comes, some of the drainage off the roads does cause moats and lakes to form around houses or cabins out there.

The Honourable Mike Poole has also touched on the Waste Management, so I shall mention that very briefly. I would like to say to people that money is ring fenced, however, it does not include the money for the catch fencing around the existing rubbish dump; this comes from a separate fund and is going ahead.

The normal amounts, of course, are in next year's budget for general and industrial infrastructure works and also electricity supplies, and one of the projects that this covers is the extension to the footpath and street lighting on the Bypass.

Also included is an amount to allow new roads to be constructed in Camp should ExCo give the green light, and this policy is yet to go to ExCo for their approval, but if approved, applications will be looked at by the TAC and will have to be prioritised as the funding will not allow for everything to be done at once.

A substantial amount is also in the budget for the design etc. of the new power station, and it is to be hoped that the work will be completed ready to be fed into next year's budget process.

We will also be undertaking a strategic asset review, there's funds in the budget for that. To put it simply, we have many *Pack-a-Ways*, for example, that are storage sheds, whilst others are inhabited, such as the fire station and Megabid to name just two. All are reaching the end

of their lives, and a priority list has to be drawn up and costed, as well as seeing if we do, indeed, need so many sheds which are scattered around different departments. The final solution isn't going to be cheap though, and I again hope that whatever it is, is ready for next year's budget process.

It is with some trepidation that I approach the next subject: there is money in the capital budget for waterfront improvements. PWD in conjunction with other departments will be putting together proposals. These will, of course, have to go through the normal routes such as Planning and Building and probably, I suspect, there will be public consultation as well.

Also in the mix which is very welcome, is the new Training Centre building.

I have not touched on everything that is in the capital budget, but merely only some of the projects that will involve PWD. It's an exciting and ambitious plan, and speaking to the DPW last week, he is confident that we can bring all the projects, both old and new, to a successful conclusion.

I have, though, actually left the best till last. For three years we have attempted to persuade the Budget Select Committee that Diamond Jubilee Road should be extended to connect with the Moody Brook Road. Twice we were unsuccessful. Last year saw the green light given only for another vote to be forced later in the budget process when a supporter wasn't present, and the project was deferred, but hey that's politics, but this year we have been given the green light. It will be phased over two years.

This project, although expensive, and to use that awful expression, it ticks many boxes. In its first phase it will be a glorified service trench, for example, carrying surface water drains down from Sapper Hill which will improve things up there, but the associated planned works will also allow improvements to services to those people living in the Mink Park area.

For the first time in our history, the West of Stanley will not be cut off should there be a major incident on Ross Road between the Reservoir Road and the Monument, or indeed when the 8th December parade is happening. I well remember people dreaming of this second access road to the West of Stanley even when I was a lad. However, given the rate that Stanley is growing, that road will see housing development right along it as the years go by. This road will aid the economic development of the Islands because, as oft happens here in the Falklands, put in a road and sooner or later "stuff" will start to happen. So to those who supported our repeated requests for funding for the Diamond Jubilee extension, I would like to say thank you and perhaps more especially thank you to those who came over to the right side of the road this time around. To those who still oppose the project or have doubts, I hope that as time goes by we can prove to you that this was a much needed project.

As I have said, I am actually excited about the capital budget for this coming year, and also what is projected for the forthcoming years. I have the feeling that we may at long last be starting to put the foot to the metal again and upping the rate of development here in our country. Long may it continue.

Thank you.

**Mr Speaker**

Does any other Member wish to speak?

No. The Assembly is now in Committee.

**Deputy Clerk of the Assembly**

Clauses 1 to 2

**The Honourable Financial Secretary**

I beg to move that Clauses 1 and 2 stand part of the Bill.

**Mr Speaker**

Honourable Members, the Motion is that Clauses 1 and 2 stand part of the Bill. Is there any objection to that motion? There is no objection. Clauses 1 and 2 stand part of the Bill.

**Deputy Clerk of the Assembly**

Clause 3

**The Honourable Financial Secretary**

I beg to move that Clause 3 stands part of the Bill. Clause 3 amends the sum £65,938,812 to £61,188,812. This is to reflect the removal of the £4 million transferred to the capital equalisation fund and the reduction within the oil and gas development budget of £750,000.

**Mr Speaker**

Honourable Members, the Motion is that Clause 3 as amended stands part of the Bill. Is there any objections to that motion?

There is no objection, Clause 3 as amended stands part of the Bill

**Deputy Clerk of the Assembly**

Schedule

**The Honourable Financial Secretary**

I beg to move that the Schedule stands part of the Bill.

**Mr Speaker**

Honourable members, the Motion is that the Schedule stands part of the Bill. Is there any objection to that motion?

There is no objection. The Schedule stands part of the Bill.

The Assembly resumes

**The Honourable Financial Secretary**

I beg to move that the Bill be read a third time and do pass

**Mr Speaker**

Thank you very much, can I have a seconder to that motion please.

**The Honourable Rodger Edwards**

I second the motion.

**Mr Speaker**

Honourable Members, the Motion is that the Bill be read a third time and do pass. Is there any objection to that motion?

There is no objection. The Bill will be read a third time and do pass.

**Deputy Clerk of the Assembly**

A Bill for an Ordinance to authorise the withdrawal from the Consolidated Fund of monies for the financial year ending 30 June 2018.

The Capital Appropriation Bill 2017 remaining stages.

**Mr Speaker**

I invite the Honourable Financial Secretary to report on the proceedings of the Select Committee on the Estimates and this Bill.

**The Honourable Financial Secretary**

Mr Speaker, my report was covered by the earlier presentation.

**The Honourable Rodger Edwards**

Mr Speaker, I move that the Report be accepted.

**The Honourable Mike Summers OBE**

I second the Motion.

**Mr Speaker**

Does any Honourable Member wish to speak to that?

## **The Honourable Phyl Rendell MBE**

Thank you, Mr Speaker.

In following the script I have kept my comments on the capital budget to address at this time in the proceedings. I would just like to highlight again the scale of the funding that we are planning to approve this morning. We are looking at a value of £60 million going forward for the next five years spent on capital projects, and including the £20 million in the current year we are looking at a total of £80 million which the Financial Secretary highlighted on Tuesday.

I'm fully in support of this bold capital programme. I have been speaking quite a number of times in the House about the fact that we have had windfalls and income that mysteriously appeared when the Treasury weren't able to forecast them, and I'm glad that we're able now. I think that we have had a very frank and a fair assessment of our income during these budget Select Committee meetings, and I think as a result we have been able to be bolder with our decision making in the previous months. So I am grateful to the Treasury for their work in addressing these issues.

In the election campaign in 2013 I do recall there were two items particularly focused on by the electorate and they wanted to see progress on. They weren't actually my priorities, but I have got behind them as a result of the electorate being so passionate about them. One was the Vulnerable Peoples facility, I've fully supported that through the process and delighted that it's well underway. As the Honourable Mike Summers has reported it's well on the way, it's well planned, it's well managed and it should be completed in a couple of years, I think he quoted 2019.

The other burning issue during the election campaign was the MPA Road and some of us particularly supported that project, and it's had a lot of background work done to it. We had to budget for a new tarmacking machine, which we funded this year, which was £2 million. It's arriving probably August/ September time. We bought a new paver which is here, so we have done a lot of the ground work in preparation for a bigger programme of tarmacking, not only the MPA Road, but now we hear that we've got funding for the Bypass Road to be sealed in the next few years, and needs to be worked on before it deteriorates further, and overall, we've got considerable funds for road building.

I wasn't a supporter of the Diamond Jubilee Road, I must say in previous years, but having looked at the budget and it's affordable. I believe if it's affordable, then I'm behind it and I do believe, as the Director of Public Works has said, it will save money in the long term, so I'm delighted it's affordable and going forward. I am very pleased too that we have got a small amount of money, £500,000 may not sound like a small amount of money, but it is when it comes to road building, but we have got that money to kick start looking at roads to new farms. So I like to think we have achieved some of the electorate's requests at the election time.

My colleagues have mentioned many of the other projects, so I'm not going to mention those here, but I would just like to say that I think the port facility project is critical. It's come late in this Assembly, but we have got a plan in place. It's on the agenda, we have money for project management and in the next few months we will start to see that progressing. I'm hopeful there will be a pragmatic and incremental approach to that project, but we await

further discussion with the users and the community as a whole, but it's absolutely vital as an island nation that we do address port facilities and port needs, and I'm pleased that's firmly on the agenda,

Thank you, Mr Speaker, I support the Bill.

**Mr Speaker**

Does any other Member wish to speak?

The Assembly is in Committee

**Deputy Clerk of the Assembly**

Clauses 1 to 2

**The Honourable Financial Secretary**

I beg to move that Clauses 1 to 2 stand part of the Bill.

**Mr Speaker**

Honourable Members the Motion is that Clauses 1 and 2 stand part of the Bill – is there any objection to that motion?

There is no objection. Clauses 1 and 2 stand part of the Bill

**Deputy Clerk of the Assembly**

Clause 3

**The Honourable Financial Secretary**

I beg to move that Clause 3 stands part of the Bill. Clause 3 amends the sum £15,928,994. to £15,965,995. This reflects the net movement of £37,000 being the difference between an additional £75,000 being approved to support works at Gypsy Cove and a reduction in the Capital budget required for the construction of the new Training Centre of £38,000.

**Mr Speaker**

Honourable Members, the Motion is that Clause 3 as amended stands part of the Bill. Is there any objection to that motion?

There is no objection. Clauses 3 as amended stands part of the Bill.

**Deputy Clerk of the Assembly**

Schedule

**The Honourable Financial Secretary**

I beg to move that the Schedule stands part of the Bill.

**Mr Speaker**

Honourable Members, the Motion is that the Schedule stands part of the Bill. Is there any objection to that motion?

There is no objection. The Schedule stands part of the Bill

The Assembly resumes

**The Honourable Financial Secretary**

I beg to move that the Bill be read a third time and do pass

**Mr Speaker**

The Honourable Rodger Edwards to second.

Honourable Members, the Motion is that the Bill will be read a third time do pass. Is there any objection to that motion?

There is no objection. The Bill will be read a third time and do pass.

**Deputy Clerk of the Assembly**

A Bill for an Ordinance to authorise the withdrawal from the Capital Equalisation Fund of monies for capital projects.

The Finance Bill 2017 remaining stages.

**Mr Speaker**

I invite the Honourable Financial Secretary to report from the proceedings of the Budget Select Committee on this Bill

**The Honourable Financial Secretary**

Mr Speaker, my report was covered by the earlier presentation.

**The Honourable Roger Edwards**

Mr Speaker, I move that the report is accepted.

**The Honourable Mike Summers OBE**

I second the Motion

## **Mr Speaker**

Does any Member wish to speak to the Motion?

## **The Honourable Phyl Rendell MBE**

Thank you, Mr Speaker.

I only have a couple of items to mention for this Bill that are covered in the Finance Bill and that I support the Bill.

I have been an opponent of the Medical Services Tax ever since I've been elected, and I'm very pleased that we have been able to bring this to zero in this budget round. I think I had to give the Diamond Jubilee road up to get the MST to zero, but to me it's an employment tax, particularly I think it hits small businesses. We have been trying to encourage businesses in the Camp to increase production and to diversify in to such things as horticulture, and employment costs have repeatedly been, for my constituents, considered a barrier. So with this discussion today, I do hope businesses will look at expanding their businesses and will be encouraged that there isn't an employment tax when they are looking at increasing their work force.

I would also like to associate myself with the words already spoken by Colleagues about the Passenger Levy. There's been a discussion now for quite a long time about how to encourage passengers, cruise ship passengers in particular, and other visitors quite frankly, to visit our splendid Museum, because it really is an excellent place for people to understand and learn about our history and our British Heritage. So I think the step taken now to increase the Levy to include a free entry into the Museum is a really good step, and it will be increase and enhance our public diplomacy efforts. £4 increase may seem a lot from next year, but because it includes that access to the Museum I think it's very welcome and a good step,

Mr Speaker, I support the Finance Bill.

## **Mr Speaker**

Does any other Member wish to speak to this?

## **The Honourable Jan Cheek**

Mr Speaker, Honourable Members, I'd like to say firstly that I'm delighted we've now, as we indicated last year we would, increased the minimum wage further so it now represents 90% of the living wage. Next year we would hope it would go to 100%.

Its long been my belief that if a business cannot pay, at least, the minimum wage, then its viability as a business is questionable, and I'm sure ethical businesses would not want to be seen exploiting the lowest paid.

This time last year I expressed concern about the state of one or two of our pension funds, so I am also pleased that we are planning to deal with the short fall in the Retirement Pension Fund following the receipt of the most recent actuarial review. Well, employee and employer

contributions still fall well short of the sum defined by that review, and so FIG will have to continue to subsidise the fund, it is a step in the right direction.

Unlike the Honourable Phyl Rendell, who has just spoken, I actually supported keeping MST, both as an employer and an employee I never had a problem paying it, but I note that though the zero rating of MST will in part offset the increase in the minimum wage for those employers who are not already paying more than the minimum wage, and I suspect most employers do pay more already, part of our deficit will be made up by the amount that is not collected as MST. One or two have mentioned the allowance for the Assembly Members, and the new allowance to apply after the election. That was identified by the independent panel set up to look at Members' remuneration, and it acknowledges that many of the people we hope will stand for future Assemblies will have commitments, family commitments and mortgages, and we wanted to be sure that that would not be a bar to people standing. I support the motion.

### **Mr Speaker**

Does any other Member wish to speak?

### **The Honourable Mike Summer OBE**

Mr Speaker, just a couple of issues fairly briefly.

I spoke about both of these actually when we opened the Assembly, but I am very happy that we finally reduced Medical Service Tax to zero. We haven't abolished it, we reduced the rate to zero, so if the country is in a position in the future where it thinks it needs to raise more taxes, either for the support of public services or for whatever, the mechanism is still there, but in the meantime, I never thought it was a good tax. I wrote to the Assembly of the day when it was passed, explained my reasons why I thought it wasn't a good tax, I think it's a, as my Honourable Colleague says, a tax on employment, and a regressive tax that affects the lower paid in a much heavier way than it affects other people. So I'm delighted that that's gone.

Just to recall and reflect on the comments made by colleagues, by Honourable Gavin Short and others about RPC and again, I did mention this the other day. As things currently stand the Government is funding contributions to the Retirement Pension Fund to the extent of around 50 %, so the contributions that we make fund only 50% of our pensions in effect.

Members are generally of the view that that subsidy is too high, and a mechanism is being created to increase RPC contributions over the next five years up to a level somewhere nearer a 30% subsidy or something like that. We had a debate about whether we should try and set a target or not, but the figure that we are aiming at is somewhere in the 70%, maybe in the 75% region. That still leaves quite a challenge for funding pension schemes. If the investment projects we have in place yield fruit, and if the economy in the Falklands continues to grow as we hope it will, and the level of income remains at the level it is now, then we can probably put more money into the pension funds and get them up to be fully funded, but it is an area I think that Members in the next Assembly will have to be very conscious of. It's a very easy subject to push off to the side and not deal with because it has very long term implications, but I would urge the new Assembly, when elected, to take up the issue of

pensions and the funding of pension funds to either consolidate the strategy that we have put in place, or do something else that will deal with the issue.

And finally, just to comment on the level of remuneration for Members. I've always been a little bit ambivalent about full time membership, but I think it was inevitable, and it has arrived. I don't think we are not going to have it. As time goes forward the responsibility of elected Members gets more and more, and that's absolutely right. In due course, we will move to a ministerial system and, of course, everybody will need to be full-time to do that. I think it would be foolish to leave the level of pay at the same rate. My understanding is that the additional monies that was proposed and allocated this time is equivalent to the level of pay increase that's been awarded to other Government officials over the four years. That's the mechanism we've used in the past, and is the mechanism that's used now, and it just makes sense, otherwise the value of the money that's being paid will drop off over future years and we won't get what we want, which is a decent sized field of candidates for election, so I do support that increase,

Thank you, Mr Speaker.

**Mr Speaker**

Does any other Member wish to speak? No.

The Assembly is in Committee.

**Deputy Clerk of the Assembly**

Clauses 1 to 13

**The Honourable Financial Secretary**

I beg to move that Clauses 1 to 13 stand part of the Bill.

**Mr Speaker**

Honourable Members, the Motion is that clauses 1 to 13 stand part of the Bill. Is there any objection to that motion?

There is no objection to the Motion, clauses 1 to 13 stand part of the Bill.

**Deputy Clerk of the Assembly**

Clauses 14 to 16

**The Honourable Financial Secretary**

Mr Speaker, Honourable Members,

I beg to move that clauses 14 to 16 be deleted. These clauses covered registration fees in relation to Civil Partnership, Marriages and patents which Members felt required more work before being able to agree to the recommended increases.

**Mr Speaker**

Does any Member wish to speak to that Motion?

No. The Motion before the House is that clauses 14 to 16 be deleted from the Bill. Is there any objection to that motion?

There is no objection. Clauses 14 to 16 are deleted from the Bill

**Deputy Clerk of the Assembly**

Clause 17

**The Honourable Financial Secretary**

Mr Speaker, Honourable Members, I beg to move that clause 17 be renumbered as Clause 14 and stand part of the Bill.

**Mr Speaker**

Honourable Members, the Motion is that clause 17 be renumbered and stand part of the Bill. Is there an objection to passing that motion?

There is no objection; clause 17 will be renumbered as clause 14 and stand part of the Bill.

The Assembly resumes

**The Honourable Financial Secretary**

I beg to move that the Bill be read a third time and do pass.

**Mr Speaker**

And to second?

**The Honourable Rodger Edwards**

I second

**Mr Speaker**

Honourable Members, the Motion is that the Bill be read a third time and do pass. Is there an objection to passing that motion?

There is no objection. The Bill will be read a third time and do pass.

## **Deputy Clerk of the Assembly**

A Bill for an Ordinance to increase various allowances, benefits, charges, contributions, fees, and penalties provided for under the laws of the Falkland Islands and to make new provision for certain new charges.

## **Motions**

Motion Number 8 of 2017 by the Honourable Financial Secretary

It is resolved by the Legislative Assembly, under section 113 of the Customs Ordinance 2003 (No 9 of 2003), that –

(a) The Customs Order (Title 26.1.2) is amended to increase the customs duties payable for tobacco products and alcoholic beverages as follows –

on beer from 34p to 35p per litre;  
on wines from 83p to 85p per litre;  
on fortified wines from £1.00 to £1.03 per litre;  
on spirituous beverages from £6.79 to £6.99 per litre;  
on spirits from £12.42 to £12.79 per litre;  
on cigars from £345.70 to £362.99 per kilo;  
on cigarettes from £372.24 to £390.85 per kilo;  
on tobacco from £227.23 to £238.59 per kilo; and

(b) this amendment of the Customs Order comes into force at midnight on 2 June 2017.

## **The Honourable Financial Secretary**

Mr Speaker, I propose the motion as read by the Clerk.

## **Mr Speaker**

And seconded by

## **The Honourable Roger Edwards**

Mr Speaker, I second the motion.

## **Mr Speaker**

Honourable Members, the Motion before the House is that the Customs Order as amended by the Clerk be passed and also that the amendments come into force at midnight on the 2<sup>nd</sup> June. Is there any objection to that Motion? There is no objection. That Motion is carried.

## **Deputy Clerk of the Assembly**

Order of the day - bills.

Law Revision and Publication Bill 2017 remaining stages.

## **Mr Speaker**

I invite the Honourable Roger Edwards to report on the proceedings of the Select Committee on that Bill.

## **The Honourable Roger Edwards**

Mr Speaker, Honourable Members,

As Chair of the Select Committee, I report on the activities and recommendations of the Select Committee on the Law Revision and Publication Bill. The Committee's full report is available with the Order Paper, and I intend only to provide a verbal summary of the report.

The Law Revision and Publication Bill 2017 was published in the Gazette on 10 February 2017, presented to the Legislative Assembly on 23 February, and referred to Select Committee for scrutiny. Detailed consultation on the Bill also took place through the Law Revision Project between January and March. The Committee met on seven occasions in March and April. All meetings were open to the public. A full transcript of the Committee's proceedings has been prepared to be received by the House today and then published.

The Bill would make new provision for revision and publication of the law of the Falkland Islands to give effect to the Falkland Islands Government's ambition set out in the Islands Plan; to produce and maintain an authoritative statement of Falkland Islands Legislation which will be freely and publically accessible.

The Committee reviewed the Bill clause by clause.

The Bill provides for the online publication of a statute law database, and the appointment of a Statute Law Commissioner who is responsible for publishing and maintaining the database.

The database must contain the complete and up to date text of all locally made laws, together with lists of all applicable United Kingdom laws. The Bill provides that the content of the statute law database is authoritative. The internet is to be treated as the primary means of access for the database, but provision for other forms of access to also be considered.

The Bill provides for an ongoing programme of law revision, including a requirement that the Statute Law Commissioner reports regularly to the Assembly about developments in UK laws; allowing the Assembly to choose how to adopt UK laws going forward. The Committee believes that the right balance has been struck between flexibility and control in the processes surrounding the adoption of United Kingdom laws under the Bill. Although adoption of another jurisdiction's laws as our own is a necessary solution to the resource limitations of our small jurisdiction, the Committee noted that the Bill paves the way for ongoing localisation of our law through a programme of revision.

The Committee does not recommend any change to the four parts which make up the substantive Bill with the exception of correction of one drafting error at Clause 11.

The first schedule of the Bill reflects proposals to bring the Falkland Islands' adoptions of United Kingdom laws up to date. In particular, the schedule provides a new and definitive list for the adoption of UK laws. The list is supported by provisions in the substantive parts

of the Bill which provide for our adoption of those laws to be kept up to date. Those provisions balance the adoption of United Kingdom laws as they are amended in the United Kingdom with exceptions and modifications to their application in the Falkland Islands being made where appropriate, together with strong oversight and controls to be exercised by the Assembly - to ensure that we adopt only laws which best suit our needs.

The Committee spent the bulk of its time examining Schedule 1; to satisfy itself that the United Kingdom laws to be adopted under the Bill are the right laws, with appropriate modifications, for the Falkland Islands.

The Committee agreed that in a number of areas we must continue to rely on the adoption of historic versions of UK laws, because detailed policy and resourcing analysis would be required before we could consider adopting the current version which applies in UK. This is the case, for example, in relation to company and bankruptcy laws. Detailed policy work is outside of the scope of this project, ie arranging for the publication of our laws. However, the Committee report includes recommendations for prioritisation of that work going forward, to allow a move away from the adoption of historic versions of the United Kingdom laws where appropriate. The Committee believes that our adoption of historic UK laws in connection with consumer rights and the administration of justice are particular areas of high priority for policy review.

The Committee recommends that a small number of UK laws are removed from the Schedule, on the basis that their application is not necessary for the Falkland Islands. For example, the Committee do not believe that proposed regulation of auctions and fairs are necessary. The Committee also recommends a number of amendments to the Schedule arising from drafting errors or omissions.

Schedule 2 of the Bill deals with standard modifications of adopted UK laws, and the Committee recommends minor amendment to that schedule again largely arising from drafting errors or omissions.

Schedule 3 to the Bill deals with proposed revocations and repeals of locally made legislation, ie taking the opportunity to de-clutter the statute book of law which is now obsolete. However, the Committee recommends that the Gas Ordinance 1979 be removed from the Schedule and retained on the statute book. That is because although it appears that the legislation is not currently given effect to as a result of there being no regulation made under it, the Assembly believes that regulation is appropriate and should be developed, this Ordinance concerns the consumption of gas - not exploration/production, which is dealt with under other legislation. The Committee also recommends that the Animals and Food Miscellaneous Provisions Ordinance 2002 is added to the list of Ordinances for repeal, on the basis that consultation on the Bill has highlighted that the Ordinance is obsolete having been overtaken by regulation made under the Livestock and Meat Products Ordinance 2010.

In conclusion, the Select Committee recommends this Bill to the Assembly; subject to the amendments recommended in our report. The Committee underlines the significance of the Bill. The law of the Falkland Islands is not available on-line, and is currently very difficult to access, a situation which must be addressed. Improving access to the law in the Falkland Islands not only enhances the application of the rule of law, but also provides for the more effective operation of the Legislature, improved access to justice, fairer government and a

more efficient economy. If passed, the Bill will form the foundation for an accessible statute book, which can be modernised and localised going forward.

I would ask that the Attorney General propose the detailed amendments to the Bill on behalf of the Committee as recommended in the full report.

Mr Speaker, I beg to move that the report of the Select Committee be received by the House.

### **Mr Speaker**

Can I have a seconder to that Motion? The Honourable Michael Summers to second, does any Member wish to speak to that Motion?

### **The Honourable Michael Poole**

Mr Speaker, Honourable Members,

At the beginning of the Select Committee process, I've argued for an alternative methodology for reviewing this Bill, whereby Members receive summaries, written summaries of all legislation referred to within it. I was concerned at the time that a verbal update from the Law Commissioner would not be sufficient for us to properly scrutinise the Bill. I would like to say that I was entirely unfair in that assessment, and would like to thank the Law Commissioner for navigating us through this so clearly and comprehensively. It means I have no qualms in recommending this Select Committee report to the House and I'm confident that we have properly scrutinised this Bill.

As has been mentioned by my Honourable Colleague, one of the most challenging parts of reviewing the schedule to this Bill was asking the question of which bits of law can we afford to do away with. We have succeeded in reducing the statute book a little bit, however there were also a number of bits of law where we erred on the side of caution, and retain them even if they may only be utilised once a decade or even less, but I think at this juncture that's a sensible approach. There is sufficient flexibility within legislation and the ongoing process to allow for bits of law to be repealed in the future if that is deemed necessary, and should always be a goal to simplify our statute book to the extent we can.

Thank you, Mr Speaker. I support Motion.

### **The Honourable Phyl Rendell MBE**

Thank you Mr Speaker.

In rising to support this Bill, I would like to thank the Law Commissioner, Ros Cheek, for her work. I was absolutely amazed at her ability to switch from one set of laws to another in our committee meetings, and I think it was quite remarkable that she had such a grasp of all the legislation that we were dealing with. I was very pleased to see our own legislation, such as the Crimes Ordinance and related ordinances and all the agricultural animal health related matters that we passed in the House over the last few years has allowed us to disallow quite a number of UK Acts. That's very encouraging, and it gives me the opportunity to thank the Law and Regulation Department for their work, that's ensured our meat and fish products in particular can continue to be exported to the EU.

The Select Committee meetings really did illustrate the massive amount of UK Acts and regulations that do apply to the Falkland Islands, and some will probably never warrant replacement because we are such a small population. It would take considerable time to address all of those, but I do think we will see progress as we update our own legislation, and we will see some of those UK pieces of legislation fall away, and in particular I would imagine that when we have the Maritime Bill coming forward we are going to be debating that, and it will come to this House hopefully in the next few months, we might see some UK maritime law fall away when we adopt our own modern legislation in that area.

Also the prioritisation list for the new drafting that we addressed from the very last meeting of the Budget Select Committee I think was very helpful, and I hope it will be helpful for Law and Regulation Department going forward and for the new Assembly as to which areas to address. The Honourable Rodger Edwards has mentioned two of those that were prioritised on the list, but the way we go, the drafting list just keeps getting added to continuously by ourselves, so it might take a long time to get to those, but I do wish the Law and Regulation all the best with proceeding with the requests that came out of the Budget Select Committee,

Mr Speaker, I support the Bill.

**The Honourable Gavin Short**

Mr Speaker, Honourable Members.

I would just like to rise and associate myself with the comments of the two speakers before me. This was actually quite a herculean task, and I would really like to pay my complements to the Law Commissioner, Roz Cheek, who has an amazing knowledge of some pretty obscure laws that we were going through. I know she put in some horrendous hours, and I would like to say I'm very glad that obscure things like the Peddlers Acts of 1871 and 1881 survives, along with the Magna Carta which I think will cheer Mr Speaker up no end, but as often happens in things like this of course, we all have our own areas of interest, and I certainly found myself reading huge chunks of the Highways Ordinances and I think I now know more about the make-up of a skip than I ever really wanted to,

So I fully support the Bill.

**The Honourable Mike Summers OBE**

Mr Speaker, just very briefly, to add to the list of benefits of this project it, of course, significantly contributes to internal self-government in the Falkland Islands, which is a term that we use regularly for all sorts of reasons, so I think that is important. I would just like to add my tributes to not only to Roz Cheek as the Law Commissioner, who has done a fantastic amount of work on this, but the support she has been given from the legislative drafters in the Attorney General's Chambers, and indeed I'm sure other staff, and also mention our Honourable Colleague, Roger Edwards, who has had to get a bit of a grip of this, and obviously spent plenty of time at home mulling over the schedules and the content so that he could properly chair the meetings,

So thank you, I support the Bill.

**Mr Speaker**

Any other Member wish to speak?

Is there any objection to receiving that report of the Select Committee?

There is no objection, that report is therefore received by the House.

The Assembly to be in Committee of the Whole.

**Deputy Clerk of the Assembly**

Part 1 – Introduction, Clauses 1 to 3

**The Attorney General**

I beg to move that clauses 1 to 3 stand part of the Bill

**Mr Speaker**

Honourable Members, the Motion is that clauses 1 to 3 stand part of the Bill. Is there any objection to passing that motion?

There is no objection, clauses 1 to 3 stand part of the Bill

**Deputy Clerk of the Assembly**

Part 2 – Statute Law Commissioner , Clauses 4 to 9

**The Attorney General**

I beg to move that clauses 4 to 9 stand part of the Bill

**Mr Speaker**

Honourable Members, the Motion is that clauses 4 to 9 stand part of the Bill. Is there any objection to passing that motion?

There is no objection; clauses 4 to 9 stand part of the Bill.

**Deputy Clerk of the Assembly**

Part 3 - Statute Law Database, Clause 10

**The Attorney General**

I beg to move that clause 10 stands part of the Bill

**Mr Speaker**

Honourable Members, the Motion is that clause 10 stands part of the Bill. Is there any objection to passing that motion?

There is no objection, clause 10 stands part of the Bill

**Deputy Clerk of the Assembly**

Clauses 11

**The Attorney General**

I beg to move that clause 11(1)(d) is amended by inserting the word “an” immediately before the word “Ordinance”; and that the amended clause stands part of the Bill

**Mr Speaker**

Honourable Members, the Motion is that amended clause 11 stands part of the Bill. Is there any objection to that motion?

There is no objection, amended clause 11 stands part of the Bill

**Deputy Clerk of the Assembly**

Clauses 12 to 18

**The Attorney General**

I beg to move that clauses 12 to 18 stand part of the Bill

**Mr Speaker**

Honourable Members, the Motion is that clauses 12 to 18 stand part of the Bill, is there any objection to passing that motion?

There is no objection, clauses 12 to 18 stand part of the Bill

**Deputy Clerk of the Assembly**

Part 4 - Application of United Kingdom Law, Clauses 19 to 26

**The Attorney General**

I beg to move that clauses 19 to 26 stand part of the Bill

**Mr Speaker**

Honourable Members, the Motion is that clauses 19 to 26 stand part of the Bill. Is there any objection to passing that motion?

There is no objection, clauses 19 to 26 stand part of the Bill

### **Deputy Clerk of the Assembly**

Schedule 1 - United Kingdom Enactments which apply to the Falkland Islands  
Part 1 - Primary Legislation

### **The Attorney General**

Mr Speaker, I apologise in advance for some of the lengths of the amendments, but I beg to move Part 1 of Schedule 1 stands part of the Bill with the following amendments:

1. In the entry for the Administration of Justice Act 1925, in column 2 the word “and” is omitted, and the words and figures “and 53” are inserted after the figure “29”
2. The entry for the Agriculture Act 1970 is removed in its entirety
3. In the entry for the Anatomy Act 1984, a new note is added at the beginning of column 3, and the existing note in column 3 re-numbered accordingly, the new note to read:  
“1. The Act continues in force as if the Human Tissue Act 2004 had never been made”
4. The entry for the Auctioneers Act 1845 is removed from the Schedule in its entirety
5. In the entry for the Defamation Act 1952, the words and numbers at column 2 are omitted and replaced with the following words and numbers:  
“Sections 2, 3, 10 to 13, 16(1), 17 and 18(1)”
6. A new entry for an Act is made below the entry for the Defamation Act 1952 as follows:  
Column 1: “Defamation Act 2013”  
Column 2: “Whole Act”  
Column 3 would remain blank for this entry
7. The entry for the Fairs Act 1873 is removed from the Schedule in its entirety
8. The entry for the Food Safety Act 1990 is removed from the Schedule in its entirety
9. In the entry for the Law of Libel Amendment Act 1888, the number “9” is removed from column 2
10. In the entry for the Law Reform (Personal Injuries) Act 1948, number “1” is added to column 2 immediately after the word “Sections”
11. In the entry for the Libel Act 1843, the number “7” is omitted from column 2
12. The entry for the Mobile Telephones (Re-programming) Act 2002 is removed from the Schedule in its entirety
13. The entry for the Newspaper Libel and Registration Act 1881 is removed from the Schedule in its entirety

14. In the entry for the Radioactive Substances Act 1993, a new note is added at the beginning of column 3, and the existing note in column 3 re-numbered accordingly, the new note to read:

“1. The Act continues in force as if the Environmental Permitting (England and Wales) Regulations 2010 (SI 2010/675) had never been made”.

15. In the entry for the Sale of Farming Stock Act 1816, in column 3, the word “act” [small a] is omitted, and replaced with the word “Act” [capital A]

16. In the entry for the Theatres Act 1968, the numbers and words “12, 14, and Schedule 1” are omitted, and replaced with the following numbers and words:

“4, 7, and 20”

### **Mr Speaker**

Honourable Members, the Motion is that Part 1 of Schedule 1 as amended by the Attorney General stands part of the Bill. Is there any objection to that motion?

There is no objection; Part 1 of Schedule 1 as amended stands part of the Bill.

### **Deputy Clerk of the Assembly**

Schedule 1 - United Kingdom Enactments which apply to the Falkland Islands, Part 2 - Secondary Legislation

### **The Attorney General**

Again, Mr Speaker, some lengths to the amendments and I beg to move that Part 2 of Schedule 1 is amended as follows, and the amended Schedule do stand part of the Bill.

1. The entry for the Beer (Amendment) Regulations 2011 is replaced with the following entry in column 1:

“Beer Regulations 1993 (SI 1993/1228)

2. The entry for the Beer and Cider and Perry (Amendment) Regulations 2000 is omitted from the Schedule in its entirety

3. The entry for the Beer, Cider and Perry, Spirits and Wine and Made wine (Amendment) Regulations 2006 is omitted from the Schedule in its entirety

4. The entry for the Bridges Order (Procedure) Regulations 1965 is omitted from the Schedule in its entirety

5. A new entry for an instrument is made below the entry for the Builders Skips (Markings) Regulations 1984 as follows:

Column 1: “Cider and Perry Regulations 1989 (SI 1989/1355)”

Column 2: “Whole Regulations”

Column 3: “The Regulations only have effect for the purposes of prescribing the means to be used for ascertaining the strength, weight, or volume of liquor for the purposes of Part X of the Customs Ordinance 2003”

6. The entry for the Companies (Unregistered Companies) Regulations 1948 is removed from the Schedule in its entirety

7. The entry for the Companies (Unregistered Companies) Regulations 1949 is removed from the Schedule in its entirety

8. In the entry for the Criminal Procedure Rules 2015:

- the words and numbers in column 2 are omitted and replaced with the following words: “Whole Rules”

- the words in column 3 are omitted and replaced with the following words: “The Rules apply to the extent permitted under the Criminal Procedure and Evidence Ordinance 2014.”

9. In the entry for the Crown Court (Advance Notice of Expert Evidence) Rules 1987:

- in column 2 “The” is omitted

- in column 3 the following words are added: “The Rules apply to the extent permitted under the Criminal Procedure and Evidence Ordinance 2014”

10. In the entry for the Crown Court Rules 1982:

- in column 2 “The” is omitted

- in column 3 the existing words are omitted, and the following words are added: “The Rules apply to the extent permitted under the Criminal Procedure and Evidence Ordinance 2014”

11. The entry for the Damages for Bereavement (Variation of Sum)(England and Wales) Order 2013 is removed from the Schedule in its entirety

12. In the entry for the Family Procedure Rules 2010, the statutory instrument number is corrected from “2995” to “2955”

13. The entry for the Feeding Stuffs (Sampling and Analysis) Regulations 1999 is removed from the Schedule in its entirety.

14. The entry for the Feeding stuffs (Zootechnical Products) Regulations 1999 is removed from the Schedule in its entirety.

15. In the entry for the Magistrates’ Courts (Children and Young Persons) Rules 1992, the following notes are added to column 3:

“1. In relation to civil proceedings, the Rules apply only to the extent that this is necessary in respect of the provisions as to court practice and procedure specified in the Administration of Justice Ordinance 1949.

2. In relation to criminal proceedings, the Rules apply to the extent permitted under the Criminal Procedure and Evidence Ordinance 2014.”

16. In the entry for the Magistrates’ Courts (Domestic Violence Protection Order Proceedings) Rules 2011, the following note is added to column 3:

“The Rules apply to the extent permitted under the Criminal Procedure and Evidence Ordinance 2014.”

17. In the entry for the Magistrates' Courts (Forms) Rules 1981, the following note is added to column 3:

“In relation to criminal proceedings, the Rules apply to the extent permitted under the Criminal Procedure and Evidence Ordinance 2014.”

18. In the entry for the Magistrates' Courts Rules 1981, the following note is added to column 3:

“In relation to criminal proceedings, the Rules apply to the extent permitted under the Criminal Procedure and Evidence Ordinance 2014.”

19. The entry for the Order as to Fees Under Section 43 of the Bankruptcy Act 1914 is removed from the Schedule in its entirety

### **Mr Speaker**

Honourable Members, the Motion is that the amended Part 2 of Schedule 1 as detailed by the Attorney General stands part of the Bill, is there any objection to that motion?

There is no objection; the amended Part 2 of Schedule 1 stands part of the Bill.

### **Deputy Clerk of the Assembly**

Schedule 2 - Modifications of UK Enactments Part 1 - Table of modifications

### **The Attorney General**

Mr Speaker, I beg to move that Part 1 of Schedule 2 is amended as follows, and stands part of the Bill.

1. The entry in column 2 which states “Customs” is replace by “Collector of Customs”

2. A new entry is made below the entry for “Minister of the Crown” as follows:

Column 1: “OFCOM”

Column 2: “Governor”

### **Mr Speaker**

Honourable Members, the Motion is that the amended Part 1 of Schedule 2 stands part of the Bill, is there any objection to that Motion?

There is no objection; the amended Part 1 of Schedule 2 stands part of the Bill

### **Deputy Clerk of the Assembly**

Schedule 2 - Modifications of UK Enactments

Part 2 - Other modifications

## **The Attorney General**

Mr Speaker,

I beg to move that Part 2 of Schedule 2 is amended by replacing the Part with the Part as follows, and the amended Part 2 of Schedule 2 stands part of the Bill.

New Part 2:

- “1. This Part of the Schedule applies to a UK enactment which is applicable to the Falkland Islands by virtue of sections 21 or 23.
2. If a UK enactment conflicts with an Ordinance or with subsidiary legislation made under an Ordinance, the Ordinance, or subsidiary legislation if relevant, prevails.
3. Any reference to a UK enactment which does not extend to or apply in the Falkland Islands is to be read, to the extent possible, as a reference to any equivalent or similar provision found in an Ordinance or in subsidiary legislation made under an Ordinance.”

## **Mr Speaker**

Honourable Members, the Motion is that the amended Part 2 of Schedule 2 as detailed by the Attorney General, stands part of the Bill, is there any objection to that Motion?

There is no objection; the amended Part 2 of Schedule 2 stands part of the Bill

## **Deputy Clerk of the Assembly**

Schedule 3 - Repeals and Revocations

## **The Attorney General**

Thank you Mr Speaker,

I beg to move that Schedule 3 is amended as follows, and the amended Schedule 3 stands part of the Bill

1. In column 1, a new entry is made in alphabetical order, and the entries re-numbered accordingly: “Animals and Food (Miscellaneous Provisions) Ordinance 2002.
2. The entry for the Gas Ordinance 1979 is omitted from the Schedule in its entirety, and the column re-numbered accordingly.

## **Mr Speaker**

Honourable Members, the Motion is that the amended Schedule 3 as detailed by the Attorney General stands part of the Bill, is there any objection to that motion?

There is no objection; the amended Schedule 3 stands part of the Bill

The Assembly resumes.

**The Attorney General**

I beg to move that the Bill is read a third time and do pass.

**The Honourable Roger Edwards**

I second that.

**Mr Speaker**

The Honourable Roger Edwards to second.

Honourable Members, the Motion is that the Bill will be read a third time and do pass. Is there any objection to that motion?

There is no objection. The Bill will be read a third time and do pass.

**Deputy Clerk of the Assembly**

Law Revision and Publication Bill 2017

The Motion for Adjournment

**The Honourable Chief Executive**

Mr Speaker, I beg to move that the Assembly is adjourned *sine die*.

**The Honourable Roger Edwards**

Mr Speaker, Honourable Members, this is the last budget of this Assembly, and I believe that we have left the Islands in a stronger and better place than we were four years ago. As we have heard today, our Medium Term Financial Plan which runs over a period of 5 years is very slightly in the black. We have agreed a very ambitious capital programme, but one we believe we can actually deliver as we have recognised right from the beginning that we will need more people, I hate that term “resource”, to complete the projects. A comment by the editor of the Penguin News this morning criticised us for not doing enough previously, but the previous capital programme ran at £60 million over 5 years, and in no year in the 5 years past did we actually spend all the money available. We were criticised during our visits to Camp as well, that there wasn’t sufficient funds in the capital programme, but I argue that the capital programme was well funded, that we failed, and I say we as the Falkland Islands Government, failed to put the number of people in place to actually carry out those works.

The last year of the previous 5 year programme ended up with a capital programme budget of £21 million pounds. That is the same figure as we are proposing for this coming year, and I hope that with the new people we are putting into place to oversee these various projects, we can look forward to them being completed in the time schedule agreed in the budget.

We continue to protect our most vulnerable workers by raising the minimum wage to 90% of the living wage, and trust the new Assembly to complete this uplift to the full 100% of the living wage.

We continue to subsidise the pension pot out of Government funds. We have increased the old age pension contributions to £31.50 a week, but this remains at only 54% of the latest actuarial figures, despite raising the pensions age to 65 in 2020. We have all agreed to additional work on how to resolve the problem and how we fund pensions going forward, especially for the low paid, who might not be able to afford more costly contributions. We have recently had a very successful amnesty on pensions payments, and we do not want to return to the situation where many people find they do not have enough payments to draw a full pension. I would like to thank everyone who has helped in the long but necessary process of producing this budget. A Member says “it’s boring”, I do not believe it is ever boring. We have gone through great detail, at times difficult decisions, and even at times a slamming of a door, but we have got there in the end.

I would particularly like to thank Andy and Margaret who sit in the background during the budget, Andy adding and subtracting figures from the overall totals as we go along so we are continually aware of where we are, and Margaret who beavers away producing logical minutes out of our ramblings and lively discussions during these Select Committees. I thank them both. I would also like to thank Lydia. This the last budget for our current Financial Secretary, Lydia Morrison, who has been here in the Islands working hard in the Treasury for four and a half years. She will be with us for a few more weeks yet, but in an advisory capacity, as we welcome James Wilson to the post of Financial Secretary. I would like to say very great thank you to Lydia for all she has done and wish her well in the future. Lydia, thank you.

We have not altered the tax rates or allowances other than reducing the rates of MST to zero, many saw this as an employment tax, so will welcome this move.

Mr Speaker, I speak confidently of this budget. I think we have done well and the outcome is fair and reasonable. I cannot say the same for our internet and internet provider. We do speak to Sure on a regular basis and urge them to keep the public up to date as their technical problems continue. At times it is like getting blood out of a stone. If they are listening, I urge them to start to seriously connect to their customers, and start to think about a very generous compensation package. I look forward to when we have a full-time Regulator in place to properly monitor our sole provider.

Mr Speaker, once again I would like to thank everyone who helped in the making of this budget, and I support the motion for Adjournment.

### **The Honourable Gavin Short**

Mr Speaker, Honourable Members,

In rising to speak to the Motion for Adjournment, I would fully like to associate myself with the comments of the Honourable Roger Edwards about the Budget and those who helped produce it. A “thank you” to our Financial Secretary, Lydia, for all that she has done over the years and for getting us through this last one, and of course to, as the Honourable Roger Edwards has said, in the background there is always Andy and Margaret, and they do a

splendid job year after year, especially in Margaret's case, and sometimes I don't know how she keeps quiet when perhaps she's disagreeing with something we might be saying, but she does it wonderfully well. I would also like to associate myself with the remarks that the Honourable Gentleman has made about our telecoms service provider as well.

I would just like to muse on a couple of things if I can before we end. As people will know, the Governor is not in the Islands due to medical reasons and, of course, we wish him a speedy recovery, but neither was the Deputy Governor for some time. Now, back in the good old days we would have become a little bothered, and people would have become fractious when everyone disappeared, but what I noticed this time of course, with the Governor and the Deputy Governor away, the Falklands sailed happily on. I am not suggesting we go for UDI, but rather this is a good example of the political evolution of the Falklands. It is the Government of the Falklands who run the country nowadays, and the Governor, whilst having the nuclear option, via the Secretary of State should we ever go slightly bonkers or corrupt, is basically a figurehead and a conduit between the FCO and the British Government, British Government Ministers on issues of Foreign Policy. This, of course, flies in the face of what some who live in a country not far away would have you believe. As we go through future political and constitutional changes, we can see the role of the Governor perhaps morphing into something else as we take even more and more responsibility for the running of our country.

When I was speaking about the recurrent budget earlier, I did say that buried in the midst of what was a pretty well a "steady as she goes" budget, (avoiding the word boring), is a little something that is aimed at bringing new impetus to our economic development with the recruiting of three people whose sole aim in life is to light a fire under the economic development of our country. This though does lead me to wonder what comes after. We can't have good work being done for two or three years and then nothing. We are going to have to do some serious work on at least two of our institutions that should be generating even more economic activity otherwise it will have been all a waste of time if things go back to as they are now. One institution that does worry me a bit since its separation from FIG is FIDC. I am sure it is doing some very good work, and it may be that it just isn't that good at telling everyone just what it is doing, but it seems to me at least to have almost lost its way and become risk averse. Every time I ask about them pushing Development including projects that might be slightly too risky for a commercial organisation, I am told that they wait for people to come with the projects and then help them to make it happen, if they think it's economically viable. Surely a development agency should have ideas and dreams of its own? Be actively running a project or two that may be just too risky for a commercial organisation who has to worry about their bottom line profits. I give you the fish farming project. I was part of that and I know we almost dropped it twice as we just couldn't see a commercial end for it. We soldiered on, I think that's mainly because I think we were actually emotionally attached to the project by that stage, and by the time we decided enough was enough and we had done all we could and the next stage was the actual setting up of fish cages and the growing-on of the fish, the economic climate and circumstances had altered enough for a commercial organisation to see some synergies between this and their own operations, and they took it on, and it is still, I believe, going along very nicely. This, in my view is what FIDC should be doing. They aren't. Hopefully in a year or two's time they may be once again.

The proposed amount to be paid to the next batch of MLAs has caused me to get a few telephone calls, and people expressing their dissatisfaction that whilst as they see it "normal

folk” have received less over the last four years, the increase to MLAs wages works out to be something like 12.5%. I have also had representations from people who say the rate is about right and some who say it’s actually worth more.

The figure, as has been said, along with other recommendations were arrived at by an independent panel who took evidence from anyone and everyone who wanted to speak to them. We have merely forwarded this on. If the next Assembly wish to modify those figures, I guess that is within their remit to actually take less.

My own personal view would be it probably save a lot less grief if any increase to MLA’s wages, if I could call it that, is actually pegged to the FIGs employees receive over those four years. But we shall see where that one goes, I guess.

I have been known to have the occasional grumble about the lack of an organised Falklands history syllabus as part of the curriculums in the school. I would like to read to the House part of a letter that I received only three days ago on the subject, which started off:

“Hi Gavin I’d like to comment on a discussion that was on your FaceBook page recently.

It is about the Argentine journalist who visited covertly recently and made a comment in a story somewhere that it is a waste of time trying to turn around the attitudes of the over 50’s in the Islands to becoming more friendly with Argentina and to concentrate on the younger generations instead.

I recently had a discussion with my daughter about people’s attitude towards the bunch of visitors from the coast who were here a short while back with the so-called Nobel Peace Prize winner. Because she is a 2nd or 3rd generation Islander born after the war she sometimes finds it hard to understand the animosity shown to people like them.

When I was trying to explain why and a bit of FI history to her, in which I’m no expert, including FI modern history, I was taken aback on how much she doesn’t know. This brought me to remembering that when my son left school he was the same. He didn’t know much either, but they both knew lots about the 1st & 2nd World Wars and Nazi Germany.”

This reminds me that as far as I am aware the kids in Argentina, are from a young age taught their twisted biased version of Falkland Islands history including all their made up fantasies and falsehoods. So because our kids who seem to be taught none or very little history of the Islands at the IJS & FICS are straight away are put on the back foot if they are put on the spot in defending their right to be here and the fact that the Islands are British sovereign territory.

So, in a perverse sort of way, this journalist could well be right if he has picked up that the younger generation here doesn’t get as much of the proper unbiased history of the Islands that they deserve and need. Also, in a way, yourself with present and past MLA’s, could be inadvertently helping them in not having our kids educated to the same extent as those across the water.

If I have got anything wrong, I apologise, but I do think that if children don’t get proper history lessons should have a least a couple hours a week put on their curriculum at the FICS at the very least.

After a recent rant about the lack of history being taught, as I saw it,, I was shown evidence that some local history does get taught at the IJS, but what happens at the Senior School seems to be less structured, if I could perhaps put it that way. I believe there was a teacher here quite a few years ago who used to teach a very good course on Falklands history, but that was only because he was passionate about history and took the time to gather in the material for the Falklands. Since then I know there was another teacher who made valiant efforts to get some local history taught, but alas, she has now moved on to the Training Centre, and whilst her enthusiasm and drive for making the Falklands a better place has not been lost to us, she no longer, as I understand it, teaches our children.

Now, I am assured by my Colleague MLA Elsby that this subject is going to be raised at the next Education Board, and I hope that they are bold enough to take the decision to have a proper formal programme drawn up that will see the teaching of Falklands History from the IJS through to the Senior School. I would urge them that it should not just be the dry history of dates and who did what, but interwoven into that must be the social history of the Falklands. We have a huge amount of history and it can be absolutely fascinating if presented correctly.

I hear the mantra that the schools here follow the UK curriculum as everything is aimed at the final examinations that are UK based and I can understand this, but we must teach our children their history about their country.

I know we have the Education Ordinance meandering towards us, and I do wonder whether something should be put in that ordinance that makes the teaching of Falkland's history in a meaningful way, obligatory.

Whilst I am at it, I also wonder how much Falkland's geography and geology are taught. Again, fascinating subjects as bits of the Falklands are, like this speaker, quite ancient and that, of course, would then lead on to taking a look at the journey that the Falklands made from the Indian Ocean to its present location, a journey which saw one of the Islands do some really fascinating stuff on the way.

We are almost at the 35<sup>th</sup> anniversary of our liberation from foreign invaders, and it is timely to pause for a moment to remember and give heartfelt thanks for those both civilian and military, and not forgetting their families who must have went through awful times not knowing what was happening to their loved ones, and also not forgetting the Falkland Islanders who helped, some in small ways others having a bigger role, but all equally important, for the return of our country and liberty. You don't know what liberty means until you lose it. I would also like to thank all those who have served in the Falklands in the 35 years that has passed, and whose presence and work ensures that we remain a free people.

It is interesting and humbling to see on social media, some of those who served down here during the war, sharing their diaries and the memories of the events, and this, of course, causes others to comment underneath, sharing their experiences of those days. Some of it is a bit gory, some of it has humour, some of it is laced with sorrow, but through their own writings they are giving an insight into what they went through to liberate us.

Having tottered and fallen up some of the mountains where pitched battles took place, I am always filled with admiration and wonder as I am walking along in broad daylight without

any heavy kit and without being shot at. It is nothing short of a miracle that they managed to do what they did.

And we shall be forever in their gratitude.

Some other people who are going to be playing their part to keep us free are MLAs Summers and Hansen, who depart for the annual bun fight at the C24. Something like the Arsenal football team when they have to take on lower league opposition in a cup run - you know the outcome before you start, and in Arsenal's case, they normally lose, but it has to be done.

That committee is that packed with countries with their own agendas that they probably couldn't make a straight decision if they were paid to, and they are paid to. It is sad that truth and even the fundamental beliefs of the United Nations are trampled underfoot by those who would rather score points against another nation or suck up to a country who has very definite colonial ambitions.

As bleak as all this sounds, the Falkland must never lose an opportunity to get stuck in amongst them, otherwise the lies from Argentina will be all that is heard. So, to Mike and Ian and the two people I believe are going with them, I wish you the very best.

I support the motion.

### **The Honourable Michael Poole**

Mr Speaker, Honourable Members.

I would just begin by saying that door deserved everything it got, throughout the budget process. But I, too, would like to add my thanks to the Honourable Financial Secretary and wish everyone the best in the future. Thank you very much, Lydia, for all the work you've done in a number of roles over the recent years.

We were on the West over the weekend for public meetings. It was a great time, and I would like to thank all who turned out to have a chat with us, as well as the team in the office who helped organise it, and coordinate it for us. As always, there were a range of issues discussed, with issues as diverse as roads, radio, health funding and turkey shooting.

We took the incoming Financial Secretary along with us, and on the way out he asked me whether the issues faced in Camp greatly differ from those in Stanley. In my view they do differ, of course, there are some cross-cutting themes, but Camp life does have its own challenges, and I think whilst MLAs as a group haven't got out to Camp as much as we would have wished to, I think it is very useful when senior officers attend those visits with us and can see the differences for themselves. So, I thank the incoming Financial Secretary and the Honourable Chief Executive for taking the weekend to join us.

As has been mentioned before this House next sits, we will mark both Liberation Day and also Armed Forces Day later in June as well.

These are both opportunities for us to remember and express thanks for the important role the UK Armed Forces played in our past, but also continue to play in our present, and I am sure that the Chief of Staff will relay the thanks of the House to his team at the appropriate

moment throughout the month. It is also great to have 3 PARA here at the moment, particularly at this time of year, and I know that they have a number of events planned throughout the coming weeks to mark their stay. I hope the Stanley team may also get another chance to give them a lesson in footballing at some point before they depart.

Finally, can I express my thanks to the range of people who have helped out with 35<sup>th</sup> Anniversary event planning for this month? There are also a number of people that expressed an interest in providing an input that we did not have to call on, but we do appreciate them having been in touch. Ultimately events this year will be lower key than the 25<sup>th</sup> and 30<sup>th</sup> anniversaries, but even small events such as those planned do require the input of a number of volunteers, so I greatly appreciate their time.

Mr Speaker, I support the motion

### **The Honourable Ian Hansen**

Thank you, Mr Speaker, Honourable Members.

In rising to support the Motion for Adjournment, you mentioned, Mr Speaker, earlier on this morning that we were sort of time limited, and I do promise you I did not sell any of my minutes to the Honourable Gavin Short.

I, too, would like to add my thanks to the Treasury staff for the preparation of this budget, as always, they are wonderful and Margaret and Andy do an extremely good job. I would also like to add my thanks to Lydia and say goodbye to her, it has been a pleasure working with you Lydia, thank you for all you have done, and I too would like to welcome James who is here today in the Chamber, I look forward to seeing how he achieves next year. He may well be the only face around the table apart from the Chief Executive, and Mr Speaker and the Clerk.

Just briefly, one thing I didn't mention on the budget, but I would like to add my agreement to the statements that the Honourable Mike Summers and the Honourable Phyl Rendell said about MST. I am very pleased that it is gone, it is just a bit disappointing that we didn't get rid of it a few years ago, but as we all know MLAs can change their minds at times and do a bit of a U-turn, so we have just had to wait to get that turned back again.

This time next week we will have had the UK General Elections, and it will be obviously a very interesting time to see what way they go. What is interesting, I have noticed in this lead up to this election and certainly within the last couple of days anyway, that the Falkland Islands and indeed Gibraltar are being sort of dragged into the mix quite a bit, and that's obviously because one of the party leaders' comments from years ago. Obvious we will always try a make the effort not to become politically involved, but I think that we don't really have the choice this year, we haven't been given the choice not to be. The Honourable Michael Poole mentioned the 35<sup>th</sup> Anniversary, unfortunately I won't be here as the Honourable Gavin Short mentioned, Mike and I will be overseas representing the Islands at the Committee of 24, but I am sure on the day we will be very much thinking of everybody that is here, and hoping that the commemorations and the celebrations go well.

And finally, Mr Speaker, I would like to thank a group of people that we don't often talk about in this House, and that is the staff of the Post Office, because I believe last weekend,

which was quite a big social weekend, they spent two evenings sorting mail on Friday and Saturday so that people could receive their mail that arrived late on the Airbridge, and I think that is real dedication, and I would like to thank them very much for that.

Mr Speaker, I support the motion.

### **The Honourable Phyl Rendell MBE**

Thank you, Mr Speaker, in rising to support the motion I would like to mention some matters in relation to my portfolio: Natural Resources, if you will bear with me. I won't repeat what the Acting Governor said about the very good Calamari season that we've had, and he mentioned a number of things in my portfolio in his address on Tuesday, but I did want to highlight the fact that information for crews on the Illex Jiggers has been distributed again this year, and we have kept up that pressure, and I am pleased to say that with a fair wind we have not had any incidents throughout this Illex fishing season. I was in Punta Arenas recently, and there was a jigging fleet in the harbour not from our fishery and, unfortunately, they had lost two Indonesian sailors from that fleet. So we have to keep vigilant.

On other shipping matters, we had a very near miss with the *Uruguay Reefer*. In the end the vessel was moved to deeper water which was a better outcome. The likely environmental impact to being abandoned in our zones may have been low, but at least by moving it into deeper water it was even less of a risk, and I would like to express my thanks to the crew and the fishery officers on-board the *Protogat* who stayed with that vessel, secured a tow line, and then ultimately saw her towed out of our zones. This was extremely tasking work and very dangerous, and I do thank all those involved, and I do believe that they are off on Sunday to practice with the gun on the *Protogat*, and MLA Poole will be accompanying them so good luck with the tour on Sunday on the *Protogat*.

On a positive note, of course, we have had the *CFL Hunter* docked alongside FIPASS, and it was an extremely good weekend last weekend, and many of the public took the opportunity to go on board the splendid new long-liner, and I am very proud to be the "godmother" of this splendid vessel, as they call us, not the "grandmother" but the "godmother" of this vessel. It really does represent a major investment by local company CFL for the fishery. In some respects, it's really the culmination of what we have been looking for in the fishery, and what we have been driving with the policy through the current ITQ system. The toothfish – long-line fishery also has Marine Stewardship Council accreditation and the Department of Natural Resources has currently successfully undergone, with CFL, a 3 year audit surveillance as part of maintaining this accreditation. So well done to all those involved.

In relation to ITQ, I'd like to just update people to say there will be a small review conducted shortly on the ITQ system, and the headlines are that this will look at options and opportunities for what follows on from the current 25 year period of ITQ, together with looking at options for adding the Illex fishery into the ITQ. That's something you'll be hearing about, I think it may even have been advertised recently, that we have been doing a bit of extra work on ITQ and will be coming back with recommendations to Executive Council.

I would like to comment on some of the other areas in my portfolio responsibility. SAAS has had a very good year and made a couple of additional voyages during the loligo season to export product, and all of this activity is helped to reduce the draw down on available funds.

Imports, though, have slightly slowed down since the drilling programme ended which is understandable, and it's had the same affect in other areas, but this service really is embedded now, and it's absolutely central to our local businesses, and for Falkland Island Government's capital projects and shipment.

Turning to farming matters. I've mentioned already the continuation of the Farm Improvement programme for the coming season, and FIDC led a wool innovation project recently, and was well received. Last week there were several meetings in Camp, where the report was discussed. There's about 10 recommendations in that report, and if those were implemented there could be considerable benefits to the value of the wool clip for farmers, so I welcome that piece of work from FIDC.

Mentioning FLH for a moment, there's been significant investments by FLH into their AI programme. They have done that again this year to see the micron come down across the farms, and they have also continued to invest in prime beef production with crops to support finishing animals for the abattoir which we saw when we went to North Arm for the Legislative Assembly meeting in March, also to maintain growing rates of young animals where we suffer so many losses in the Falklands, with young animals. They have also invested well into fencing, into alternative energy and building maintenance and that has all gone on a-pace, whilst the team at FLH led by the General Manager have been working on a five year plan for FLH, and they will also be producing a five year budget to under pin that five year plan. I am grateful to see them looking at a more extensive life for FLH rather than just year by year.

FIMCO has had a very good export season this year. All the lamb and mutton I believe have already been sold and much of the stored beef. There's a review of FIMCO underway at the moment looking at where we can make cost reductions, also how we might get better prices for our product. One of the challenges for the Board, in fact, is that we need to find a market for beef, for our older beef, certainly still very good quality, but our older beef. We can't have prime beef without having cows that produce that prime beef, as I am continuously reminded by farmers, so that's a piece of work that the Board will be gripping next week, in particular at the next Board meeting.

I would just like to mention too that the MOD's procurement contractor, Ecolog, were in the Islands this week, and I trust we can do some business with Ecolog to supply local products, local meat to MPA. I think it will be a very good step forward and I look forward to the results of those meetings this week. When we had the Defence Minister, Sir Michael Fallon in the Islands last year, he was extremely supportive of local products being supplied to Mount Pleasant.

We had three excellent meetings on the West at the weekend as the Honourable Michael Poole mentioned, and I thank all those that attended and for the organisation of them. It was an opportunity to see the new fuel tanks for me certainly at Fox Bay down by the jetty, and it certainly demonstrated the scale of the investment by Stanley Services into those fuel tanks. I am impressed by that, and I believe that on the next sailing of the *Concordia Bay* fuel will be shipped to Fox Bay and we should see part of that new fuel installation being utilised in the month of June.

It just leaves me to close by thanking all those in the department of Natural Resources, and all those in the Fishing Industry, the Farming Industry, the shipping Businesses and all at the

Abattoir for all they have achieved this year, and also to thank those at the Treasury and throughout Government, because it is a culmination of everybody's efforts to put together the decisions of this Assembly into a bold and ambitious project going forward, and I would especially like to thank the Financial Secretary, Lydia Morrison, for seeing it all through.

Thank you very much Mr Speaker, I support the Motion.

### **The Honourable Jan Cheek**

Mr Speaker, Honourable Members,

I would also like to thank Lydia Morrison and the Treasury people who have done so much work on the Budget this time, my sixteenth and last budget. I had to stop myself skipping as I left the Secretariat afterwards, but on the whole I am very satisfied with what we have done there.

I won't report on portfolio areas in this meeting because I understood that we had agreed we would not do that this time. I want to raise a very difficult issue and that is the Airbridge. It may not yet be broken, but people feel that it's distinctly wobbly, and it's not just in the delays some of which are, most of which are, absolutely unavoidable, but it does contrast with earlier years when we didn't seem to have so many delays. Mail and freight on that Airbridge is becoming an increasing problem, not just for us but, undoubtedly, for the people who are responsible for the Airbridge. I will be in the UK for the next few weeks, and if I get an opportunity when there is a new Government there, if I get an opportunity to speak to anyone it is an issue I will be raising, because receiving bank statements posted by airmail in early March at the end of May is not satisfactory. Some of the passengers travelling on that Airbridge are unwell, returning from medical treatment or going away for medical treatment, and long delays in fairly uncomfortable circumstances make life extremely difficult and I'm sure more can be done to assist them.

The Honourable Gavin Short did a lot of mulling. I will only do a little bit, and it's something I have been mulling over since the Honourable Roger Edwards answered the question on protecting grass verges from vehicle damage. Now, if private land owners have the right to have vehicles removed from their land, then where the verges are FIG owned surely FIG has the same right, and someone should be enforcing that, without the need for new legislation. I would like to end by saying I shan't be here on the 35<sup>th</sup> Anniversary. It's interesting in a way that I will be in the UK where I was stuck 35 years ago, and although many of the people are no longer around, I hope I have an opportunity to meet with and thank at our reception in London some of those who were involved in the retaking of the Islands, and we mustn't forget the people who provide the level of defence that we enjoy and sometimes take for granted today.

I support the motion.

### **The Honourable Michael Summers OBE**

Mr Speaker, Honourable Members, I will try to be brief. I had only one portfolio issue to address that I mentioned earlier that I would put off until now.

I did a quick tour of the Medical Services Department and thanked a number of people for the work they have been doing in these past three and a half years. I specifically said I would mention Social Services later, and I have done that deliberately to highlight in a way the work that they do. Most of the work the Social Services Department does is in difficult areas and is often in very emotionally charged areas. Their remit in life is to try and help people out of difficult circumstances, and that's what they are doing. Very often they are involved in child protection issues and what is somebody's version of looking after a child in the child's best interest, is not always the same version as what somebody else's view is of what is best for that child, but the responsibilities of the people in Social Services Department is to carry out the Government's responsibilities to make sure that all children are properly protected. So, I would just like to pay tribute to the work that they have been doing and are doing in this area, and in the additional pressure that's been brought upon that Department with the on-going Operation Cinnamon. I have expressed a view to Colleagues on a strategic group of Op. Cinnamon that I hope we will have that wound up by the end of this year, I think we probably should and that will begin to reduce the pressure a little.

Very briefly to mention that there has been a lot of good work going on in Immigration, and I will have the opportunity to talk about that again at a later stage. The FIDF review continues, I hope we can have that completed before the end of this Assembly. I think it is a matter we will have to raise again with the chair, but to stress to members and potential members of the FIDF that we appear to be on a track that will be acceptable to you, and in fact I think will delight you, and I know that the new Commander of British Forces and his staff have already put in place a number of new joint training exercises with the FIDF that will greatly enhance the attractiveness of the FIDF to new volunteers, and enhance the training capabilities there.

The 35<sup>th</sup> Anniversary has naturally been mentioned by several. I think for the sixth year in a row, I'm afraid I will miss Liberation Day, and judging by pictures recently published on Facebook that's probably not such a bad idea, so I will be off with my colleagues to Canada, to the USA and ultimately to the C24, but on the 14<sup>th</sup> of June we will have a quiet time amongst ourselves and think of those who liberated the Falklands, those who did what they had to do for us at that time, and to thank them for their sacrifices and sometimes their losses. Hopefully, next year I will be here for Liberation Day, and celebrate it in proper style.

Following visits to Canada and the United States, I will head to Gotland for the Island Games, I'm very much looking forward to that. I would like to offer my congratulations to all those that have been selected to go to the Island Games, and congratulate them on the amount of hard work and effort that has gone into the games this year. I've witnessed various amounts of activity in all the clubs that are going. I thought the training levels this year are far higher than they have been before, and I wish them all the very greatest of fortune. Just looking forward a little bit, in August we'll have the visit of the Queens Baton for the Gold Coast Commonwealth Games in Australia. The Queens Baton relay will be here in August, colleagues in FIOGA Andy Brownlee, Sally and Steve are working on a programme for the Queens Baton relay so I hope everybody can take part in that. I would just like to close by giving my thanks to Lydia and her team for all the hard work in this budget, which is my 19<sup>th</sup> and final Government Budget, so thank you very much indeed for that and welcome to James.

I support the motion.

## **The Honourable Dr Barry Elsbey**

Mr Speaker, Honourable Members, I too would like to start by offering my thanks to Lydia and all the team for all the hard work she's done. It is a difficult process and they do it extremely well. We only have six ExCo's and four Legislative Assembly meetings to go until the end of this Assembly, but I think the Chief Executive and Attorney General are well aware that if we are able to do more work by having more meetings then we are more than happy to do that, because although we are finishing in September, there are still some months to go, and we want to try and complete as much work as we can before then. As other Members have said, the budget process this year hasn't been too difficult, we've not had to make any really controversial decisions. I'm very pleased that the minimum wage has been increased, and as people know our policy is to slowly raise that to the living wage. I'm also pleased that we have been able to offer a 2% pay rise to the Government employees. I know that this doesn't necessarily apply to the private sector, but I hope it is an indication. Inflation has been flat this year, it's actually slightly down at the moment, and the 2 % is actually getting back, helping to get back to where we were in 2004, because if you look at the figures for pay rises since 2004 verses inflation we are nowhere near back to where we were then, so this is a small step.

I, too, would also like say that I'm pleased that MST has been stopped. Last year, as we know set the threshold at £60 thousand , so only the very well-off paid it, and this year we have set it to zero which means that no one, including the self-employed, will pay it. I, like a few others, have been opposed to MST since its inception. It was a stealth tax and people were deceived into believing that the Medical department would get all this additional money, they didn't get any of it, and I am pleased to see it gone.

The one thing that we perhaps did struggle with in this budget process is the matter of that pensions rise, and I think that's a difficult concept and it's been spoken about by other Colleagues today. The fund we use to pay the retirement pension is underfunded at the moment. This year, we've increased the contributions that we all pay to £15.75, but the recommendations from our advisors is that it should be at £58.25 if we are to fully fund the pensions. That is clearly a figure we can't just go up to, and I think a lot more work needs to be done by this Assembly, and more importantly the next Assembly, to decide how that fund is going to be supported, because at the moment FIG continues to make a contribution of £1.5 million annually, but even with that, and the planned retirement age increase in 2020, we're not keeping pace and some difficult decisions will need to be made.

The next Assembly, as you've heard, will inherit an economy that is strong and growing, and much of this is based on our traditional industries, and if you need any convincing as to the future of the fishing industry, just as the Honourable Phyl Rendell has said, just go down and look at the *CFL Hunter*. A fantastic signal of the strength of our fishing industry. Our fishing zone is one of the best regulated in the world, but we are all aware that catches of fish, and especially Ilex, is often out of our control and small changes in sea temperatures can significantly affect our income. For this reason, it's vitally important that we maintain a strong research element in the Natural Resources Department in order to try and understand and respond to changes. In an ideal world, we would have a regional agreement on conservation, on conserving fishing stocks, but despite a commitment made by the Argentine government in the joint statement in 2016, they have failed to exchange any data with us.

Mr Speaker, the other industry we thought would be making a huge difference to our economy by now is, of course, the oil industry. However, the precipitous falls in oil prices greatly affected Premier's cash flow, the billions of pounds Premier need to invest in the Sea Lion field was expected to come from their fields in other parts of the world, this has meant a complete rethink as to how the field can be developed. FIG has been working closely with Premier to identify hurdles and try to overcome them. We all want to see this field exploited as soon as possible, but as I said in the House three days ago, this cannot be at any price.

For many years our private sector companies have been trying to bid for work at Mount Pleasant, but despite the best effort of them and the Chamber of Commerce and our Government officials, little progress had been made. There seems to have been a significant change, as the Honourable Phyl Rendell said, since the visit by Michael Fallon, the Secretary of State for Defence. The Chamber report a significant change in MOD attitude and a growing willingness to work with local companies. FIG is also working with the MOD on a new Air Terminal proposal. The aim is that this will be a civilian run facility, but used by the military. If this continues to improve, as we hope it will, then local companies might need to increase capacity, and the FIDC will work with local companies to help them to grow and meet the increased demands.

I would just like to touch briefly on the Education Department, and how the budget has affected it this year. Our Education Department is in a good position, and has steadily improved over the last three years. The Infant and Junior School is "good" bordering on "outstanding" and the recent visit of our School Improvement Partner confirms this. Camp schools are also of a very high standard. The Community School continues to improve and is in the best position it has been in over 15 years. The recent visit by our School Improvement Partner shows that the school continues to improve. The aim of our education system is to enable each student to achieve or exceed their potential, and we are very generous with funding for both further and higher education in the UK and elsewhere.

Over the years we have perhaps not stressed the importance of apprenticeships to the Islands, and I am greatly pleased that we have agreed in this budget to invest over £1 million in a new Training Centre and workshop.

The other aspect of education that we have afraid to address in the past, is that of nurseries or early years provision. In this budget we have allocated significant sums of money to develop and regulate our nursery sector. We needed legislation to set standards, Falkland standards, to which all nurseries must work. I lead a debate in the House here in January on the vitally important role that nurseries, or the early years education, is to play in the development of our children. It is clear that any financial investment Government makes will be recouped 7 times over in better education attainments, better medical and physical and mental health, together with less crime and anti-social behaviour. In this budget we have made money available to subsidise the nurseries based on the number of children attending. This will enable nurseries to offer better salaries and thus retain staff, we have also made funds available to bring an Early Years Trainer to the Islands for at least the next two years, so as to enable all nursery staff to be trained.

The Attorney General has started work on the legislation, and I hope that it will come to this House before the Assembly dissolves at the end of September - it dissolves in November, our last meeting being the end of September. The Director of Education is advertising this week to appoint a Project Manager to drive the process forward. We've also made £1 million

available to nurseries over the next 5 years to enable new facilities to be built or present ones to be improved. I see this funding as merely the first step. I strongly believe that early years provision here should be free in the same way that Junior school, Community school, college and university education is free. It is purely arbitrary to say that free education only starts at the age of 5, and I hope that the next Assembly will have the courage to make early years education free for all.

Mr Speaker, I have long argued both in this House, in the HMSC meetings, and when I was working as a doctor, that we need to look at how our Medical Service functions and focus more on prevention. Our health service spends the vast majority of its money treating illness, and in this budget you will have heard we've allocated another £2.5 million to hospital based facilities and improvements, but we spend comparatively little on public health, and by that I mean stopping people getting ill in the first place. The last significant public health initiative was the introduction of a ban on smoking in public places in 2011. Since then we've taken a few small steps on the prevention road, but too few and too slowly. 6 months ago, an expert from Public Health England visited the Islands to advise us on how to proceed, but we have yet to see a report from him. We could vaccinate our children and youth against a number of viruses that cause cancer, but we choose not to do so, largely on financial grounds. In 1994 we set up a bowel examination process for those people who have a strong family history of bowel cancer. It has been a great success and that continues, but in 1994 we also introduced a one-off bowel examination for people with no family history when they reach the age of 56, to remove any polyps and greatly reduce their chances of ever developing bowel cancer.

That also was a great success, and the NHS is finally starting to offer it all to all 55 year olds in the United Kingdom, a full 20 years after we started it. However, I'm very disappointed we stopped offering this one-off screening examination here about three years ago, and replaced it with an inferior test looking for blood in people's poo.

Perhaps the biggest public health issue the Falklands has to deal with is that faced by most developed countries, namely obesity. Obesity leading to an epidemic of type 2 diabetes, heart disease, strokes, and cancer. It's even more of a problem here when fresh fruit and vegetables cost so much. I believe our Government needs to make this a much higher priority, and for that reason I will be proposing a motion in this House later this month seconded by the Honourable Michael Poole. The motion will seek support for the introduction of a scheme whereby FIG will subsidise the cost of fruit and vegetables to all families with children under the age of 16 years. This sort of subsidy is being used very successfully in many other countries, including in the United Kingdom, and has been shown to increase the health of children and make it easier for families to cook healthy meals. It is also worth saying at this point that the West Store have introduced a great initiative whereby on Fridays children get a free piece of fruit when they come into the store. Today, it is an apple or a banana. I've had discussions with the Chandlery and the West Store as to how this might be implemented and they feel a voucher scheme would be easy to implement as the computerised tills have the ability to record fruit and vegetable sales as separate, and thus attach a discount voucher to the bill at the end.

Mr Speaker, I support the motion.

**Mr Speaker**

**The Honourable Financial Secretary, would you like to address the Assembly?**

## **The Honourable Financial Secretary**

Thank you Mr Speaker, I haven't prepared anything, I thought everyone would have had heard from me this week, but I have been very touched by the thanks received from this House today. I really do feel that it should be me that's thanking you, I have had an extraordinary time here. I leave to go back to my family, but I do leave family and friends here, and it has been an honour and a privilege to have been part of this community for the last four years, so thank you for your kind words, but it is really me that should be thanking you, the Treasury team, all my fellow Directors and Heads of Service, and everybody that has given me the support and worked with me and been my friends over the last few years, so thank you very much.

## **The Chief of Staff**

Mr Speaker, Honourable Members, Ladies and Gentlemen,

It's been interesting and useful to listen to the discussion on the bold Capital programme that you have going forwards. I would just like to make the point that MPC has a part to play in that, and there is plenty of opportunity for collaboration, and to go forward, and to encourage you to take those opportunities. Particularly passionate at the moment about Waste Management, and we have some good low level engagement on that, our Head of Policy and other members are talking day to day, but we can look more widely and are very keen to do so, and I am most heartened by the funding that has been allocated to the Joint Programme Manager, and I hope we will have that initiative up and running very shortly. As has been alluded to already, MPC is open for business, we are keen to get local businesses into MPC to start providing services and allowing us to focus on delivering a tip of the spear in the deterrence function that we deliver, and so there are complications there are frictions we are culturally different, we have an accruals based accounting system, momentum is important. We have a churn of people, but we will be an enduring presence here, so getting people involved understanding the need to make early progress in order to inject momentum and spend money when we have money is really, really important. Value for money will always be important to the UK taxpayer and the Department of Defence, because we have a restriction on funds just as you have, but within those constraints we are very keen to have local businesses come to MPC and to provide services.

The second thing I will pick up on and is very much in that we are linked, is the Airbridge. I do understand the frustration that has been experienced locally both at MPC and, of course, in Stanley. We continue to work through that. Back in the UK we have a finite resource in terms of our air transport capacity. It's supporting some important operations in the Middle East, it's also supporting the management of tension in Eastern Europe, and it also has to support the South Atlantic and other important exercise programmes. It is pretty stretched and sometimes it struggles to cope with all the demands that are placed upon it, however, we are working our very hardest to make our own luck, and you may or may not be aware that the 13/12 Flight, our air transport flight at MPC, played a key part in that last week, we launched some of the longest ever C130 and Voyager flights in order to bring an extra 20 tonnes of freight to the Islands. At the moment we are limited to about 10 tonnes on any air transport movement, so it made a big dent in the back log, and it explains why we were finally able to get some of that frustratingly slow mail through. We will continue to look for those operations, those opportunities to launch such operations, your patience and your forbearance is greatly appreciated. There will, at times, be difficult decisions where we start

to hollow out the capability in the deterrence that we are able to offer, in order to bring those quality of life products down. We know there is a fine balance to be struck, we have a team working on it, day in and day out, and as long as we understand your priorities we will always try to accommodate them within that wider piece, but it has to be a team sport and there are difficult decisions and I appreciate your forbearance.

Thank you

**Mr Speaker**

Honourable Members, may I just add my good wishes to Lydia for your future, and that concludes the business of the Assembly for today.

The House stands adjourned accordingly.